



# RETHINK SUSTAINABILITY RESHAPE THE FUTURE

VINAMILK SUSTAINABLE DEVELOPMENT REPORT 2022



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# CEO's Message



Photo: Forbes Vietnam

The year 2022 witnessed the special factors directly affected social security, food security and energy worldwide, including financial and political risk escalation and complicated developments of climate change and epidemics. Accordingly, the roles and responsibilities of food manufacturers are more concerned and focused than ever. Vinamilk believes that challenges always come with opportunities for improvement and breakthrough. At Vinamilk, during 46 years of constant growth, even in the most volatile and challenging periods, we are always steadfast to our mission to deliver quality products based on responsible business operations.

Thanks to an advanced management foundation and flexible transformation to accompany and lead the way in the application of international standards, make the best efforts of the team for optimal advantages, Vinamilk recorded the consolidated income before tax, including VND 60,075 billion of total revenue and VND 10,496 billion of profit reflected by unique and bold imprints on the path to a prosperous future.

In particular, Vinamilk has successfully launched the Vinamilk Green Farm system, which emphasizes on four key aspects: Regenerative Agriculture; Circular Economy; Animal Welfare and Renewable Energy. In this way, Vinamilk is proud to serve the consumers with products from green agricultural practices and green production in satisfaction of international quality. Recognition of Vinamilk Green Farm as one of the first fresh milk products in the world to achieve the Clean Label certification is a remarkable encouragement for the certified food safety and quality management system of international standards.

Besides, Vinamilk has continuously taken a variety sustainable development solutions in recent years. In 2022, we pioneered in greenhouse gas inventory under ISO 14064 for factory and farm systems; successfully adopted 44 initiatives in relation to circular economy; promoted the consumption of green energy at 86.8% in production activities; 100% of farms were installed with solar energy systems; increased investment in environmentally friendly technologies, diversified applications and focused on initiatives to use sustainable resources, biodiversity and especially planting trees to neutralize greenhouse gases.

Moreover, believing that sustainable development of an Enterprise can only be maintained in a healthy Community, Vinamilk has actively engaged in social responsibility and community engagement programs. The year 2022 marked an important milestone in Vinamilk's journey to accompany the preschools nationwide with the motto "Nutrition for future generations". For 15 years with the "Stand Tall Vietnam Milk Fund", Vinamilk donated 40.6 million glasses of milk to nearly 500,000 children in 63 provinces and cities. In 2022 alone, 1.9 million glasses of milk were given to 21,000 disadvantaged children in 30 provinces and cities. Also, Vinamilk implemented a series of community health care activities for the elderly, raising awareness of environmental protection for students at schools, etc.

Thanks to the determination and great efforts of the leaders and employees in accomplishing the sustainable development goals, Vinamilk proudly ranked among "Top 10 manufacturing enterprises in Vietnam for the 7th time in a row". It was also honored to receive the "First-class Independence Medal" from the Party and State - a rare noble medal for enterprises with outstanding contributions to the national development.

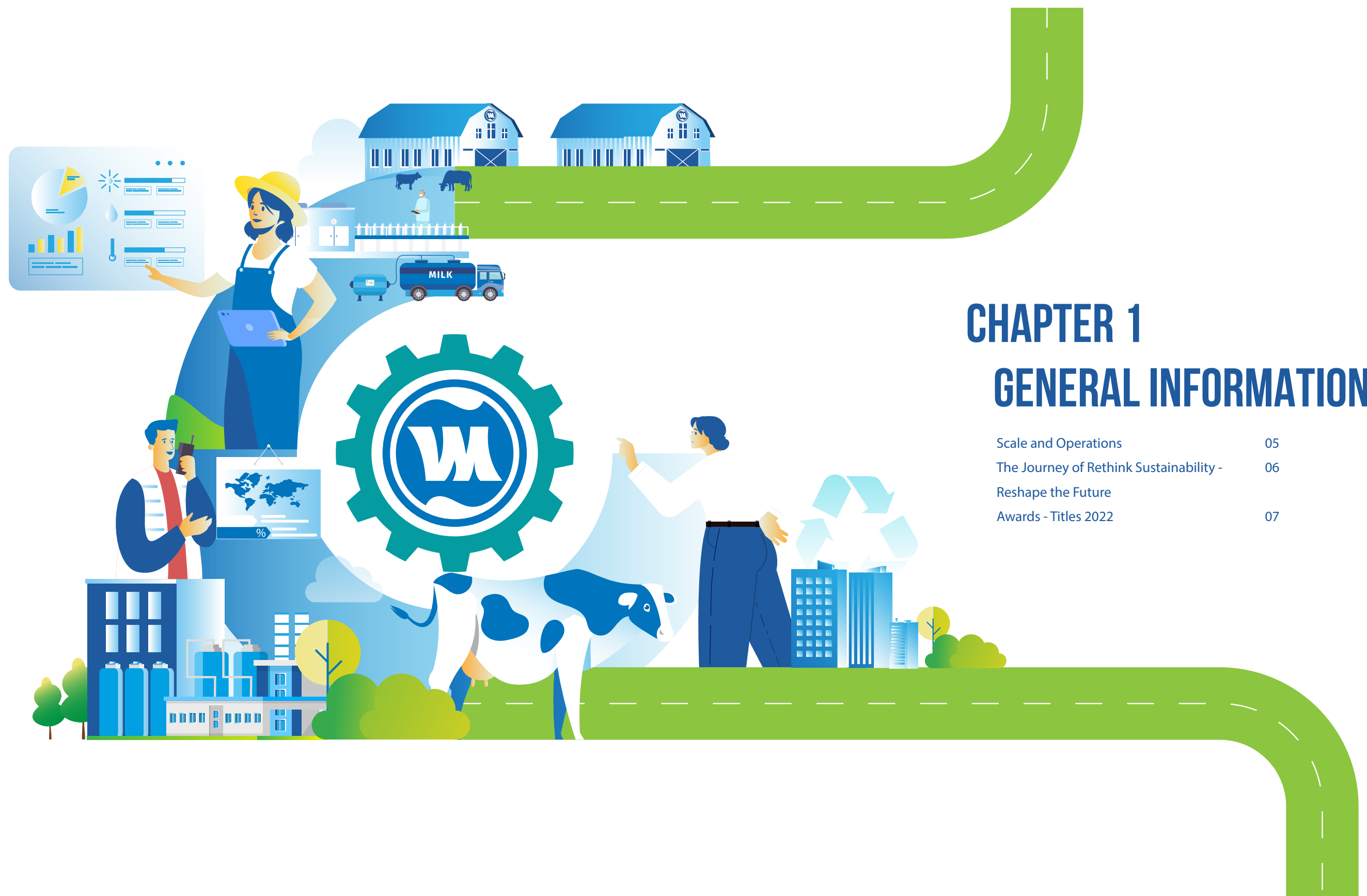
The year 2022 was the turning point to consolidate the foundation and shape a new, sustainable and prosperous future. Vinamilk have defined sustainable development as the foundation for its development strategy for the period of 2022-2026, including: promoting sustainable development path based on successful models of the global dairy industry; applying science and technology in agriculture and production towards sustainability; Increasing renewable energy, aiming to achieve net zero emissions by 2050. Trusting in the future recovery of the global economy, we strongly believe that Vinamilk will steadily enter 2023 with high determination to break at limits, for a more prosperous future and sharing more values.

**Wish you health and prosperity.**

Ho Chi Minh City, April 21, 2023

**Mrs. Mai Kieu Lien**

Chief Executive Officer



# CHAPTER 1

## GENERAL INFORMATION

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# Scale and Operations

After 46 years of establishment, with more than 25 years of “conquering” experience in the international market, Vinamilk is proud to represent the national brand in the journey to bring Vietnamese milk to the world by affirming its position in the Top 40 largest dairy enterprises in the world in terms of revenue and in the Top 10 most valuable milk brands in the world. With the consolidated total revenue of VND 60,075 billion, Vinamilk currently owns and manages more than 40 member units including a system of factories, farms, branches, etc. both domestically and internationally.

Striving for constant and strong development, bringing more and more sustainable values to stakeholders, Vinamilk not only opens up great development stages for the future of the enterprise, but also leaves a mark on the world dairy map reflecting the pride in Vietnamese products and brands.

**7,855**  
Employees

Consolidated total revenue  
**60,075**  
VND Billion

## Dairy farming Raw material production

### Domestic

- 14 Dairy farms
- 1 Technical center for Dairy cows and Embryo Transfection
- 1 Cu Chi raw milk center
- 80 Raw milk collection stations
- 1 Factory producing and supplying raw materials (Sugar)

### Foreign

- 1 Lao-Jagro Dairy farm complex (Laos)



## Production and processing of beverages and dairy products

### Domestic

- 13 Dairy factories
- 1 Moc Chau factory

### Foreign

- 1 Driftwood factory (USA)
- 1 Angkor Milk factory (Cambodia)



## Distribution

- 3 Sales branches
- 2 Logistics enterprises



## Trading

### Domestic

- The widespread system of Distributors and Retailers of traditional channels
- Nearly 8,000 modern channel sales points
- Nearly 650 “Giac Mo Sua Viet” Stores
- 13 E-Commerce Partners
- Vinamilk E-Shop website [giacmosuaviet.com.vn](http://giacmosuaviet.com.vn)
- Online shopping application “Giac Mo Sua Viet”

### Foreign

- Export to 5 continents, 57 countries and regions



## Nutritional health care

- 1 Polyclinic
- 1 Nutrition Center



Find out more information on the Company, Vision, Mission, Core Values, Business Philosophy at:  
<https://www.vinamilk.com.vn/en/about-us/>

# The Journey Of Rethink Sustainability

## Reshape the future

- 2003** Successfully equitized and officially changed its name to Vietnam Dairy Products Joint Stock Company.
- 2002** Established the “Vinamilk – Nurturing young Vietnamese talents” scholarship fund.
- 1990** Introduced UHT Pasteurized Milk and Yogurt for the first time to Vietnam market.
- 1991** Initiated the “White Revolution”, pioneered the construction of dairy material areas.
- 1988** Launched infant formula and nutritional powder for the first time in Vietnam.
- 1989**
- 1976** Vinamilk was established on August 20, 1976 with 3 Factories: Thong Nhat, Truong Tho, Dielac.

- 2010** Used Biomass steam in production.
- 2010** Established health and nutrition consulting centers across the country.
- Promulgated Code of Conduct, established and communicated Core Values.
- Developed set of Corporate Governance Regulations, established and maintained the operating structure and management principles under advanced practices.
- 2008** Launching the program of 1 million glasses of milk, the predecessor of the “Stand Tall Vietnam Milk Fund”.
- 2007** Accompanied the National School Milk Program.
- 2006** Obtained the Environmental Management System Certificate according to ISO 14001 standard.
- 2006** Tuyen Quang Farm – the first dairy farm came into operation.

- 2016** Officially launched Vinamilk’s Six Cultural Principles.
- 2016** Vinamilk was honored as Top 10 Sustainable Enterprises in Vietnam in Manufacturing segment.
- 2016** Started to install and use solar energy system for farm system.
- 2015** Obtained the Occupational Health and Safety Management Certificate according to OHSAS 18001 / ISO 45001 standard.
- 2014** Nghe An Dairy Farm is the first farm in Southeast Asia and one of three farms in Asia to qualify the Global G.A.P standard.
- Obtained the Food Safety System Certificate according to FSSC 22000 standard.
- 2013** Used energy from CNG compressed air in production.
- 2012** Officially applied and reported the Sustainable Development Program according to GRI standards.
- 2012** Obtained the Energy Management System Certificate according to ISO 50001 standard.

- 2021** Became the companion partner with Anphabe company for the “Vietnam Best Places to Work” survey.
- 2021** Cooperated to implement the project on Sustainable Development under the Global Dairy Sustainability Framework (DSF).
- 2021** Launched the Green Farm system, an eco-friendly model.
- 2020** Accomplished the goal of planting 1 million trees for Vietnam.
- 2020** Leded Top 100 Best Places to Work in Vietnam (Anphabe) for the third time in a row.
- 2019** Launched the first Organic Powdered Milk and Nutrition Powder in Vietnam.
- 2018** Promulgated the Regulations on Prevention of Fraud and Corruption and established the Compliance Committee.
- 2018** Pioneered to launch the first 100% A2 Fresh Milk product in Vietnam.
- 2016** Da Lat dairy farm is the first farm in Vietnam certified by Control Union to meet European organic standards.
- Launched the first 100% Organic Fresh Milk product in Vietnam.

## 2022

- Honored to be awarded Order of Independence 1st Class by the Party and State of the Socialist Republic of Vietnam.
- The first representative of Vietnam to attend the Global Dairy Industry Initiative on Net-Zero.
- Sign a memorandum of understanding to cooperate with the Ministry of Natural Resources and Environment to implement tree planting program to be carbon neutral towards Net-Zero.
- Optimum Gold baby powdered milk, Green Farm Fresh milk and 100% Organic Fresh milk are certified by Clean Label Project (USA) for purity, safety and transparency for consumers.
- The most potential brand in the global dairy industry (according to Brand Finance – UK).
- Top 10 Sustainable Enterprises in Vietnam in Manufacturing segment for the 7th time in a row.

● People ● Products ● Nature ● Overall Management

Each stage of Vinamilk's development journey goes hand in hand with the growth of sustainable values. Vinamilk has constantly cultivated the foundation and strengthened the 3 sustainability pillars - People, Products and Nature during the past 46 years. Pioneering - Integrity - Responsibility, Financial Prosperity - Value Prosperity for stakeholders serve as the foundation for building internal strength and shaping Vinamilk's sustainable future.



# Awards - Titles In 2022

## Environment



SUSTAINABILITY PROMOTION  
ENTERPRISE IN

**ASIA**

(ACES Awards 2022)



**SUSTAINABLE  
ENTERPRISES**

(Nhip Cau Dau Tu Magazine)



SUSTAINABLE ENTERPRISES IN VIETNAM IN  
**THE MANUFACTURING  
SEGMENT**

FOR THE 7<sup>th</sup> TIME IN A ROW  
(VBCSD)



VIETNAM ENVIRONMENT AWARD FOR  
**VINAMILK'S DALAT**  
DAIRY FARM COMPLEX

(Ministry of Natural Resources & Environment)



LEADING ENTERPRISE IN **GOLD AWARD**  
**CSR and ESG**

(under the Global CSR and ESG Awards)

## Society



**VIETNAM**  
NATIONAL BRAND



**HIGH QUALITY  
VIETNAMESE GOODS**  
FOR CONSECUTIVE 26 YEARS



**THE MOST CHOSEN**  
DAIRY BRAND BY VIETNAMESE CONSUMERS  
FOR 10 CONSECUTIVE YEARS

(Kantar Report)



FMCG MANUFACTURERS CHOSEN BY  
CONSUMERS  
(Report of Worldpanel, Kantar)



**MOST TYPICAL  
BRANDS**

IN THE DAIRY INDUSTRY WITH VINAMILK,  
ONG THO, NGOI SAO PHUONG NAM, SUSU  
AND PROBI

(Report of Worldpanel, Kantar)



**MOST FAVORITE**  
EMPLOYERS IN 2021  
(Career Builder Survey)



MOST POPULAR EMPLOYERS IN  
2021 - FMCG INDUSTRY  
(Career Builder Survey)



**PURITY AWARD** (USA)  
FOR PRODUCTS FROM THE VINAMILK  
OPTIMUM GOLD BRAND



TYPICAL CSR ENTERPRISE OF VIETNAM  
**PLATINUM AWARD**  
(under the Global CSR and ESG Awards)

# Government



## ORDER OF INDEPENDENCE

1<sup>st</sup> CLASS FOR THE COMPANY



## THE MOST POTENTIAL DAIRY BRAND IN THE WORLD

WITH BRAND VALUE OF \$2.8 BILLION

(Brand Finance – UK)



## GLOBAL STRONGEST MILK BRANDS

(Brand Finance – UK)



## STRONG BRANDS IN VIETNAM 2022

(Vneconomy Newspaper)



## IN THE RANKING OF THE LARGEST

DAIRY COMPANIES IN THE WORLD BY REVENUE

(Plimsoll – UK)



## GLOBAL MOST VALUABLE MILK BRANDS

(Brand Finance – UK)



## BEST LISTED

COMPANY FOR 10<sup>th</sup> CONSECUTIVE YEAR

IN 2022

(Forbes Vietnam)



## PRESTIGIOUS EXPORT

ENTERPRISE FOR THE 6<sup>th</sup> TIMES



## VALUABLE

INVESTMENT ASSETS OF ASEAN

(According to ASEAN Corporate Governance Scorecard 2022)



VIETNAM

## BEST-PERFORMING COMPANIES

(Nhiep Cau Dau Tu Magazine)



## GLOBAL MOST VALUABLE FOOD BRANDS

(Brand Finance – UK)



## LEADING

THE TOP 25 MOST VALUABLE F&B BRANDS IN VIETNAM 2022

(Forbes Vietnam)



LISTED COMPANIES WITH THE HIGHEST

## CORPORATE GOVERNANCE SCORES IN VIETNAM

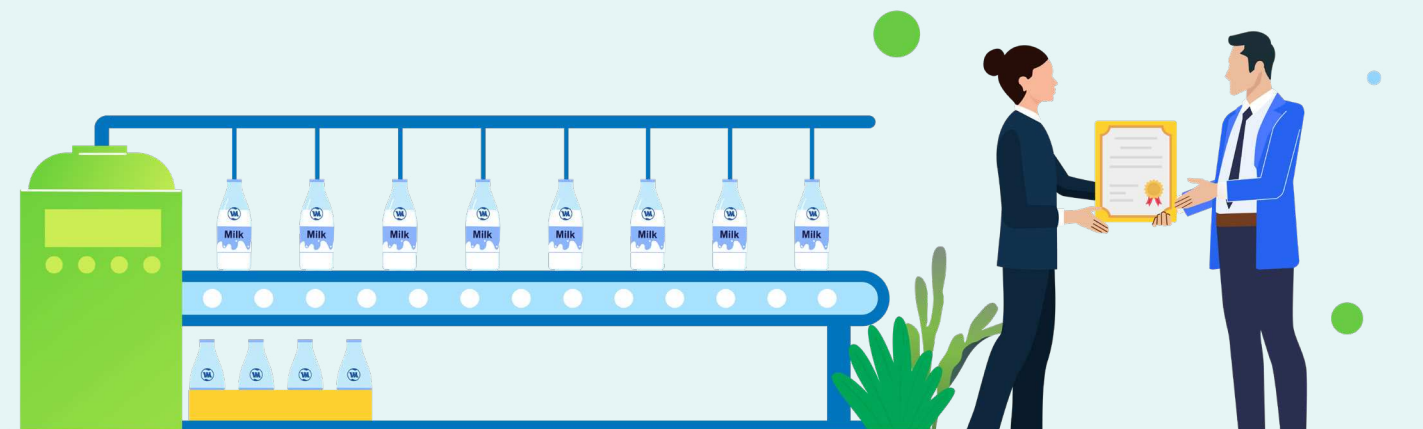
(According to ASEAN Corporate Governance Scorecard 2022)



## BEST

CORPORATE GOVERNANCE AWARD

(Dau Tu Newspaper)



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# Sustainability Management

In 2022, persisting complex challenges including political instability, the COVID-19 pandemic, supply chain disruptions and climate change have had a serious impact on the economy, society and environment around the world.

In global context under impact of “zero Covid-19” policy imposed by China and prolonged political conflicts between Russia and Ukraine, the supply chain of energy, raw materials, and food encountered disruptions and inflation has increased. In particular, in the markets where Vinamilk operates, when the economy has just recovered, it has faced multi-dimensional challenges: in the Philippines, the government tightened closure orders for Covid-19 prevention and the economy was affected by high inflation and the depreciation of the peso against the USD; In the US, Driftwood’s actions were affected by the difficulties of the post-Covid 19 economy, in which the major sales channel through schools has been gradually recovered but the output remained lower than in the pre-epidemic period; The cost of input materials, gasoline, labor costs has been increasing and unforeseeable, and transportation costs to the US market soared in the first quarters of the year, etc.

In Vietnam: Vietnam’s economy has relatively recovered with Gross Domestic Product (GDP) increasing by 8.02%, reaching the highest increase over the years in the period 2011–2022. In which, the total import and export turnover of goods increased by 9.5% compared to 2021, with an impressive trade surplus of USD 11.2 billion (last year: USD 3.32 billion). In parallel with the positive changes, Vietnam was still affected by global inflation, whereby the price of input materials and fuels has increased, leading to a continuous peak in the prices of domestic goods and services, decline in purchasing power. The dairy industry grew slightly in value because manufacturers increased selling prices, but output did not significantly increase, causing many difficulties for enterprises including Vinamilk.

Facing such challenges, the most remarkable bright spot is the green transformation towards sustainable and responsible consumption. The trend of consuming plant-based, organic and healthy products has dramatically increased. Also, customers are not only concerned about product quality, but also increasingly pay attention to environmental protection. Therefore, the trend of choosing products and brands with “green” and

“sustainable” elements is increasingly popular.

At the same time, in an effort to achieve the 17 SDGs and their commitments on climate change prevention, regulatory agencies of each country are constantly introducing policies to tighten compliance and transparent information about their corporate social responsibility and climate change responsibility. In Vietnam, the legal framework on environmental protection has been promoted for perfection, the Cooperation Framework for Sustainable Development Strategies (CF) for the period 2022–2026 which was signed to accelerate the achievement of the Sustainable Development Goals (SDGs).

During the 46 years of establishment and development, more than ever, the economic, environmental and social context has strongly promoted the need to outline in detail the Sustainability situation to re-plan and comprehensively promote sustainable development at Vinamilk. Accordingly, Vinamilk seeks opportunities and endeavors to increase the value and contribute to the development of the community, minimize negative consequences and create a more sustainable and sharing future.

Vinamilk has flexibly transformed to adapt, optimize and standardize its operation chain in conformity to international industry standards, and applied innovation for adding value to product lines in all segments including economic, popular and high-end classes in satisfaction of the diverse needs of the market; further promotes research, investment, transformation of production and supply models according to the criteria of green, clean and transparent product information; constantly improves the management system in satisfaction of the most advanced practices; boldly pioneer the application of the sustainable development model satisfying industry standards; deploy practices based on the Dairy Sustainability Framework; measure performance through sets of indicators: CSI (\*), sustainable stock basket (\*\*), participates in DSF, VBCSD organizations;

report on Sustainability with reference to GRI standards; accompanies the Government in pioneering towards Net Zero commitment by 2050 through many outstanding activities during the year such as collaborating with Natural Resources and Environment Journal to implement planting activities for the purpose of carbon neutralization, completing assessment of GHG inventory at Factories under ISO 14064 and develop action plans for reduction of greenhouse gas emissions.

(\*) *Corporate Sustainability Index of VBSCD*

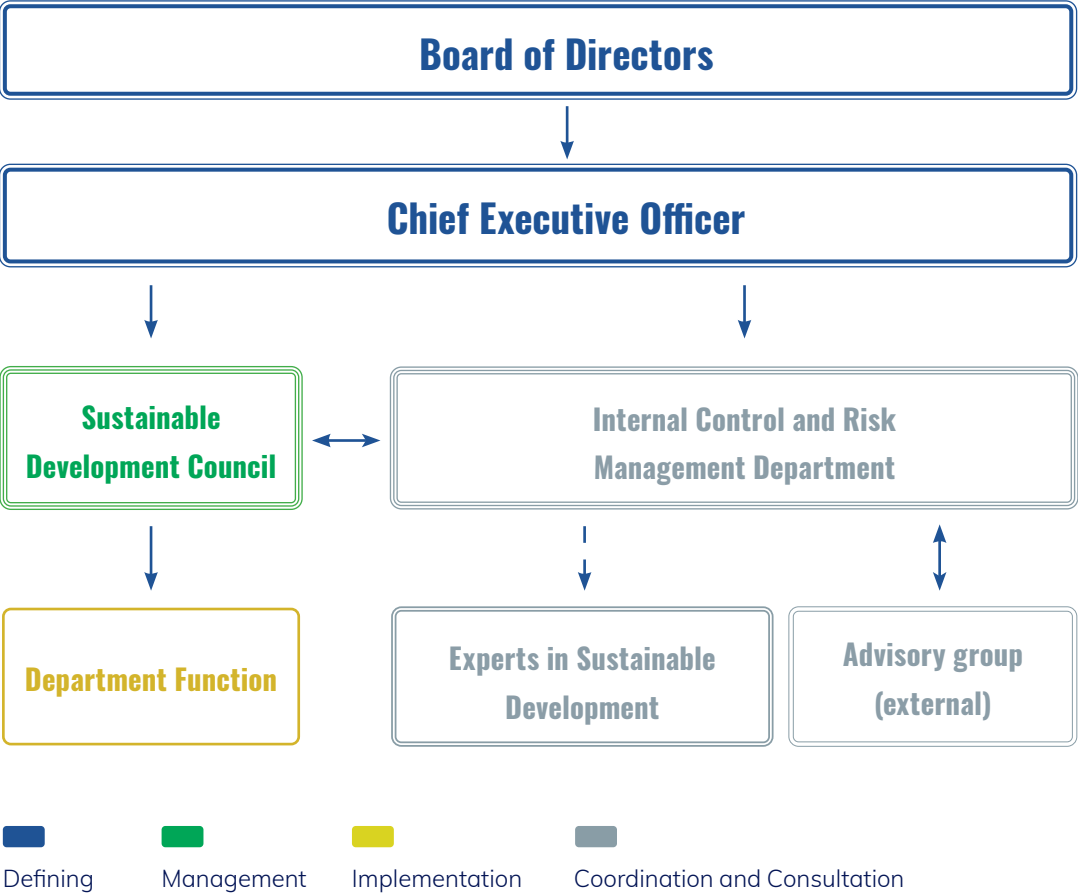
(\*\*) *Vietnam Sustainability Index of Ho Chi Minh City Stock Exchange*





# Sustainability governance structure

Vinamilk aims to become a reliable partner, bringing sustainable values and contribute to economic development, society and environmental protection by doing business in an ethical and responsible manner. The sustainability management structure is established to ensure the effective and efficient implementation of sustainability. This structure is established to include Defining - Managing - Executing - Coordinating functions.



Function	Participant	Roles, responsibilities
Defining and Orienting	Board of Directors Strategy Subcommittee	<ul style="list-style-type: none"><li>Approve the Policy and Joint Statement on Sustainability</li><li>Supervise strategy formulation, implementation and execution.</li><li>Define orientation towards sustainable and responsible development.</li></ul>
	Chief Executive Officer	<ul style="list-style-type: none"><li>Secure the implementation and promotion of the company's Sustainability path under the orientation of the Board of Directors and the company's development strategy.</li><li>Approve guidelines, policies, goals and programs for Sustainability.</li></ul>
Management	Sustainable Development Council Department Director	<ul style="list-style-type: none"><li>Receive and implement orientations and set short, medium and long term goals, action plans and detailed policy sets related to Sustainable Development in Environmental – Economic – Social aspects.</li><li>Appraise Sustainability-oriented initiatives.</li><li>Integrate Sustainability into production and business activities.</li><li>Supervise Sustainability activities and ensures efficiency and continuous improvement.</li><li>Ensure timely, transparent and accurate implementation of relevant Sustainability reports in each aspect.</li></ul>
Implementation	Department Function	<ul style="list-style-type: none"><li>Implement sustainable practices and initiatives in areas of expertise to achieve the goals.</li><li>Ensure timely, transparent and accurate implementation of relevant Sustainability reports in every aspect</li></ul>
Coordinating	Internal Control and Risk Management Department	<ul style="list-style-type: none"><li>Ensure the Sustainability management structure is appropriate, consistent with the company's goals, and operates effectively.</li><li>Coordinate in Sustainability activities.</li><li>Periodically summarize and implement the Sustainability Report.</li><li>Develop and implement training programs on Sustainability.</li></ul>
Consulting	Representatives of stakeholders – Local Management Group	<ul style="list-style-type: none"><li>Consult with Vinamilk on key areas and Sustainability orientations and practices</li></ul>

Detailed information on governance structure at Vinamilk, outstanding governance activities in 2022 at Annual Report 2022 – Page 80 – 94

# Business philosophy

Continuously develop production, trade and service activities in the fields of business activities in order to:

- Maximize benefits and enhance the value of the Company in harmony with the interests of Shareholders.
- Constantly improve the life, income and working environment of employees.
- Secure the interests of other stakeholders towards Sustainable and Responsible Development.

# Maintaining business ethics

Vinamilk’s Code of Conduct issued in January 2010 is a commitment to uphold integrity, promote respect, ensure fairness, maintain compliance and value ethics, serving as a guideline for all daily operations at Vinamilk and establishing a standard business culture throughout the Company.

The Code of Conduct provides a standard for professional and ethical behaviors, as well as clarifying what is and is not acceptable behavior and practices in internal and external relationships. The Code of Conduct has been appropriately disseminated to the Board of Directors, Executive Board and employees and is publicly available on the Company’s website at:

<https://www.vinamilk.com.vn/en/corporate-governance/>



# Compliance management

The prevention of fraud and corruption and the limitation of conflicts of interest is reflected in the Regulations on preventing fraud and corruption, which is a top priority for Vinamilk in order to ensure legitimate interests and maintain a healthy, transparent, equal business environment and fair competition for partners, suppliers, customers and bring the best benefits to stakeholders.

Also, Compliance Committee is established including members of the Board of Directors and is chaired by the General Director to organize the prevention and investigation of cases of fraud, corruption, conflicts of interest and other acts contrary to the Code of Conduct and Core Values of the Company as well as the implementation of implementation of awareness raising activities on anti-fraud and anti-corruption.



## Regarding the specialized structure:

- The Audit Committee oversees Compliance issues.
- The Compliance Committee manages information and handles Fraud – Corruption issues.
- The Legal Department upholds compliance values and the Code of Conduct.
- Internal Audit performs regular inspections.

## Regarding the system of policies and regulations:

- Codes of Conduct.
- Cultural Principles.
- Regulations on anti-fraud and anti-corruption.
- Procedures for receiving and handling information on complaints and denunciations of fraud and corruption.

## Channels for receiving complaints and denunciations about signs and acts of fraud and corruption:

- Directly meet the responsible person (Manager, Director, Executive Board) for reporting.
- Call, send letters to members of the Board of Directors, Executive Board, Compliance Committee, etc.
- Hotline: 0902 774 434
- Email: [compliance@vinamilk.com.vn](mailto:compliance@vinamilk.com.vn)
- Send letters and documents directly to the Company’s head office.
- Internal audit.

# Policy and Commitment on Sustainable Values









## Building trust with 3 pillars of Sustainability

In order to contribute to common socio – economic – environmental values and implement Sustainability goals, Vinamilk affirms that People, Products and Nature are the three solid pillars that help Vinamilk firmly succeed in its mission of “Bringing the most valuable nutrition source with all respect, trust and responsibility to the community”.

We assess the impact in the economic, environmental and social fields in each aspect in line with industry standards, linked to joint action towards the achievement of 17 Sustainable Development Goals of the United Nations, and a national action plan and to manage risks by establishing and managing the respective Sustainability-related risk portfolio in order to minimize undesirable impacts on the accomplishment of goals and commitments around the three pillars of Sustainability.

*Detailed information on the risk management structure, risk management activities implemented in 2022 at [Annual Report 2022](#) – Page 96 – 98*



Sustainability Pillars	Commitment	Area	Aspect	Subjects	Risk portfolio	SDGs
  <b>People</b>	Vinamilk is constantly rising, creating and sharing values and developing together with stakeholders towards the goal of “Stand Tall Vietnam, reach out to the world”.	Economy	Local Economies	<ul style="list-style-type: none"><li>Local economic development</li><li>Sustainable growth</li><li>Creating sustainable jobs</li><li>Values for stakeholders</li></ul>	Risks of raw milk supply	
		Economy	Market Development	<ul style="list-style-type: none"><li>Sustainable investment, putting relevant criteria in Sustainability into the assessment when there are investment opportunities</li><li>Expanding Sustainability activities to suppliers in the supply chain</li></ul>	Consumer perception risk Risk of fraud and corruption	
		Society	Working conditions	<ul style="list-style-type: none"><li>Good working environment</li><li>Labor relations</li><li>Training and development</li><li>Respecting human rights</li><li>Business ethic</li></ul>	Occupational health and safety risks Succession risk Risks of recruiting and talents Risk of compliance with legal regulations Risk of fraud and corruption	
		Industry standards	Animal Care	<ul style="list-style-type: none"><li>Welfare of cows</li></ul>	Risk of cow disease	
  <b>Products</b>	The principle throughout Vinamilk’s operation is to put the quality first. Vinamilk aims to bring safe products, the best value and benefits to human health and create many environmentally friendly products and services.  At the same time, Vinamilk is committed to transparency and responsible communication for product information.  Reaching for perfection with all passion, constant creativity to stand tall Vietnam.	Society	Product Safety and Quality	<ul style="list-style-type: none"><li>Safe and quality products</li><li>Nutrition and health care products</li><li>Responsible communication and marketing</li><li>Green, clean, organic products</li><li>Products satisfying a variety of needs</li></ul>	Product quality risk Consumer awareness risk	
  <b>Nature</b>	Vinamilk considers nature as a companion for sustainability and aims to reduce the carbon footprint on the green growth roadmap; application of environmentally friendly modern techniques; responsible and optimal use, exploitation and management of natural resources through a circular economy, linked to sustainability; apply green energy and technology, effectively manage waste sources and cover Vietnam with green trees.	Environment	Greenhouse Gas Emissions	<ul style="list-style-type: none"><li>Responsible use of resources</li><li>Efficient use of energy</li><li>Use of green energy</li><li>Reducing greenhouse gas emissions, responding to climate change</li></ul>	Environmental liability risk Risk of compliance with legal regulations Risk of natural disaster and climate change	
			Waste	<ul style="list-style-type: none"><li>Wastewater and waste control</li><li>Compliance with environmental laws</li><li>Sustainable raw materials</li><li>Circular economy application</li></ul>		
			Water availability and quality	<ul style="list-style-type: none"><li>Efficient use of water resources and responsible exploitation</li></ul>		
			Soil Nutrients	<ul style="list-style-type: none"><li>Sustainable land management</li></ul>		
			Soil quality and retention			
			Biodiversity	<ul style="list-style-type: none"><li>Biodiversity protection</li></ul>		

# Sharing Prosperity Values to stakeholders

Vinamilk believes that the sustainable development goals can only be achieved through accompanying stakeholders. Vinamilk appreciates and considers the needs, expectations and feedback of stakeholders as the driving force and the basis for the operation. Vinamilk wishes to get the support, respect and companionship of stakeholders, especially customers, shareholders, partners and suppliers, employees, community, government, non-governmental organizations and other stakeholders in the sustainability roadmap.

To all stakeholders: Vinamilk is committed to fair competition, integrity, transparency in all relationships and progressive business practices.



## Partners

Vinamilk is committed to respect, fairness and transparency and cooperation for mutual development. During our operation, Vinamilk will give priority to selecting partners who share the same views and have clear and transparent policies and commitments on social responsibility, and accompany the Company in fulfilling our responsibilities. social responsibility, improve production capacity and move towards a sustainable supply chain.

### \*Farmer/livestock farming

Vinamilk aims at comprehensive cooperation and is committed to raising the level of Vietnam’s dairy industry in order to meet the development needs of the market, reduce imports and help farmers improve their lives through a competitive procurement policy, support financial solutions and apply and transfer high-tech agriculture.

### \*Associations and NGOs

Vinamilk aims to become a dynamic company and actively seeks opportunities for cooperation and participation, contribute to the operation and sustainability of the dairy industry, build a strong and powerful Vietnamese dairy industry reaching out to the world. Vinamilk also actively seeks suitable opportunities to participate and become an active member in implementing initiatives on Sustainability in Vietnam and the world..

## Customers

Vinamilk is committed to always satisfy and be responsible to customers by constantly improving and diversifying products and services, ensuring quality, food safety and hygiene with Vietnamese products of international quality and at competitive prices.

## Employees

Vinamilk aims to build the best working environment for employees, covered by many aspects: safe working conditions, physical and mental health care, working policy, income and welfare benefits, respecting human rights, listening to employees’ opinions and aspirations, creating conditions for employees to participate in union activities.

## Shareholders/Investors

The current corporate value is the point of attraction for shareholders and investors. The future value is the knot that binds the sustainable relationship. Vinamilk is committed to bringing sustainable surplus value to shareholders and investors. Investment in Vinamilk is an investment in sustainable growth value.

Vinamilk strongly wishes that Shareholders, as owners of the Company, will support our business views and responsibilities that we have committed to society. Vinamilk appreciates and seeks improvement opportunities through sharing of advanced sustainability trends and practices from investors to build a more sustainable community together.

## Government

Vinamilk accompanies the government to build a prosperous Vietnam by contributing to the budget and economic growth; pioneer the strategy of enhancing the competitiveness of Vietnamese brands in the international arena; become one of the leading enterprises in creating jobs, improving living standards, raising incomes for workers, contribute to local economic development and sustainability of the country.

## Community

Vinamilk has been constantly contributing its resources for the community development and implement initiatives that are suitable for the locality, responsible production and business, join hands to build a community. development and civilized community, invest in public health to stand tall Vietnam. At the same time, Vinamilk creates economic growth opportunities for the communities in which the Company operates.

The connection, trust, companionship and engagement of stakeholders are important keys on Vinamilk’s sustainability path.

We always listen to the needs, shares and suggestions of stakeholders as a basis for development orientation. At the same time, Vinamilk always actively shares orientations and promotes engagement activities with stakeholders to create a successful sustainability chain together, contributing useful values to the community and society.



# Engagement of stakeholders





# From frequent material interactions

Vinamilk establishes effective and appropriate interaction and engagement channels for each audience to regularly receive and discuss the needs and expectations of stakeholders.



## Shareholders/Investors

Approving the annual general meeting of shareholders, collecting written opinions, communicating directly/online with major shareholders on investment projects, surveying investor satisfaction and material aspects of sustainability that have brought Vinamilk a multi-dimensional perspective and positive input for future action plans.



## Government

Vinamilk actively participates in perfecting the relevant industry legal system, pioneering in applying and updating State regulations, contributing ideas and exchanging directly/online through sharing sessions, seminars on legal documents.



## Community

Vinamilk has been constantly contributing its resources to develop with the community and implement initiatives that are suitable for locality, production and business. Moreover, Vinamilk creates economic growth opportunities for the communities in which it operates.



## Customers/Consumers

We interact and support customers through channels of collecting information from sales staff, supporting customers through online platforms and hotlines, and surveying consumer tastes and satisfaction to improve quality, spread green, clean nutrition source and join hands to implement the sustainability program.

In 2022, we implemented 39 trade support programs for existing partners and customers.



## Associations and NGOs

Vinamilk aims to become a dynamic company and actively seeks opportunities for cooperation and participation, contributing to the operation and sustainability of the dairy industry, building a powerful Vietnamese dairy industry, reaching out to the world through connections with DSF, VBCDS, National Institute of Nutrition, Vietnam Dairy Association, international nutrition corporations, etc.

Vinamilk also actively seeks suitable opportunities to engage in and become an active member in implementing initiatives on Sustainability in Vietnam and in the world.



## Suppliers and Partners

Every year, we organize supplier evaluation programs and face-to-face/online exchanges through training sessions, surveys on criteria towards a sustainable and responsible supply chain.

In addition, we develop a Code of Conduct and require all suppliers to commit to compliance with issues of labor, human rights, business ethics, etc.

Farmers and livestock households: Maintain interactions with more than 4,000 livestock households and 80 transfer stations, and organize technical support programs for livestock units/households, improve milk quality and overcome difficulties due to weather.



## Employees

We set up two-way information and consultation channels, internal communication channels, annual survey on working environment, sustainability, organization of annual employee conference as well as building a mechanism for direct discussion and resolving complaints in order to listen and timely support the mental life for employees and balance their life and work.

# To the initiative of establishing a Local management group under the DSF model

Based on the application of good practices in implementing Dairy Sustainability Framework (DSF), Vinamilk has established a Local Management Group (LMG) in order to promote the relationship between stakeholders and Vinamilk. LMG's major role is to support Vinamilk in its efforts to become more sustainable. At the same time, LMG's perspective as well as knowledge and experience will provide practical input in determining the materiality and future design of a sustainable strategy at Vinamilk.

In an effort to implement this model, Vinamilk initially made a list of related groups with the hope that they would become part of LMG, including farmers, suppliers, consumers, local authorities, and investors, etc. In the second step, members of the Sustainability Committee at Vinamilk nominate suitable representatives based on their understanding and familiarity and willingness to engage and accompany on Vinamilk's sustainable development path. Vinamilk then sent invitations to identified stakeholders to express goodwill and share information on DSF practices and Sustainable Development activities.

Looking back at the whole process, Vinamilk expresses gratitude to stakeholders who have enthusiastically connected and supported VNM's "more sustainable" goal. Accordingly, LMG was established including 6 representatives from investors, farmers, suppliers and NGOs. Vinamilk also held a sharing session about the orientation as well as the desire to be more sustainable to LMG with the desire to receive support, consultation and contribute to creating motivation and confidence for LMG to continue accompanying and supporting Vinamilk in accomplishing sustainability strategies.

At the same time, due to the impact of the Covid pandemic at the time of implementing the DSF model, Vinamilk could only connect with LMG through online means. In the future, Vinamilk is expected to build a mechanism to interact more directly with LMG, increase connection, strengthen relationships and intensively share impact around key areas, as well as the future of sustainability practice with LMG.

# Materiality

## Areas

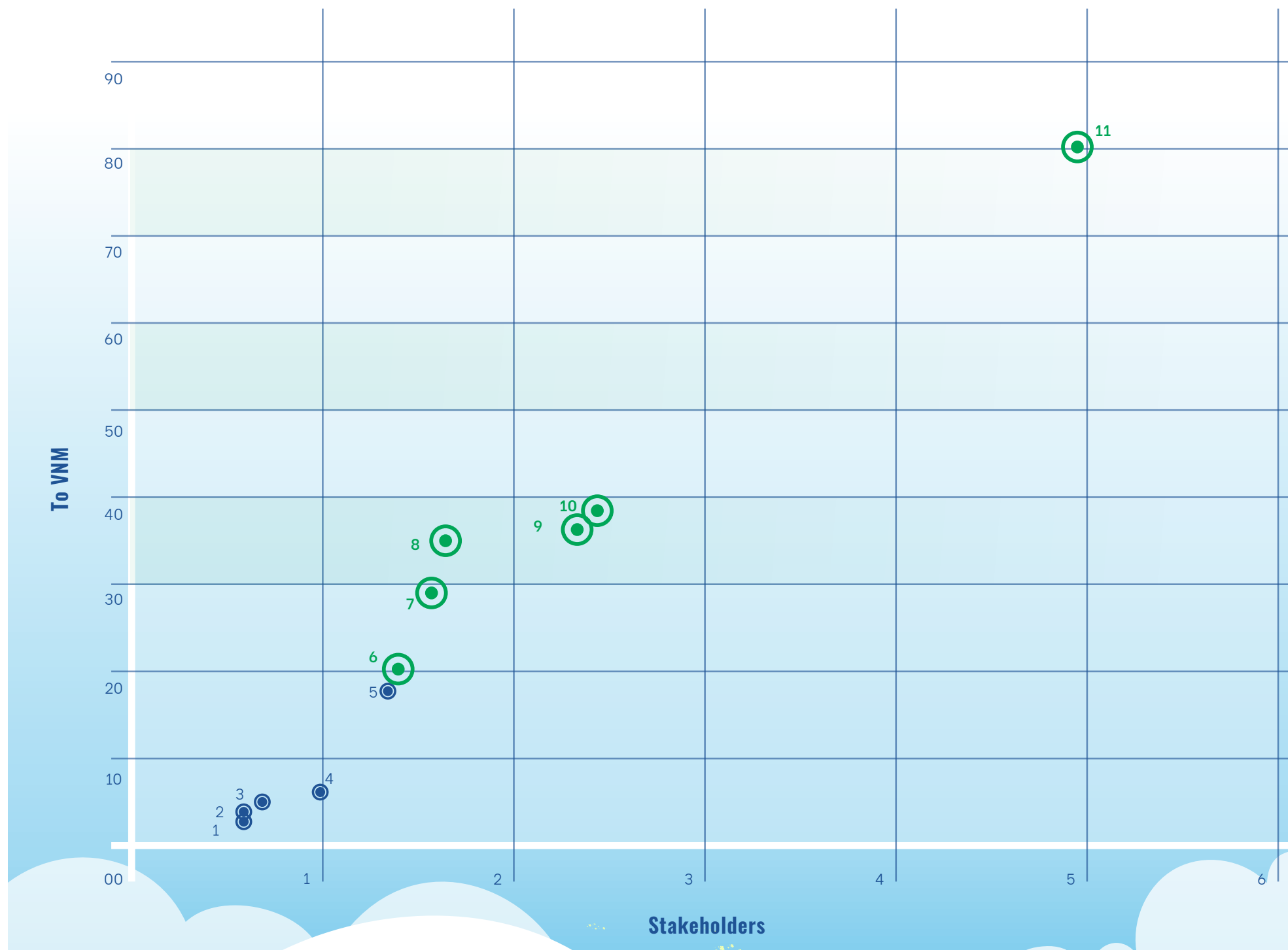
Vinamilk desires to receive comments from stakeholders that enable Vinamilk to prioritize topics in the implementation of the Dairy Sustainability Framework, a comprehensive approach to sustainability across the dairy industry value chain.

Vinamilk acknowledges that all topics covered in this survey are important, but we would like to hear stakeholders’ opinions on the importance/ less importance of topics for guiding action. The survey results will be input for setting future sustainability goals and strategies and sustainability reports.

Continuing the constant efforts on the sustainability path, Vinamilk conducted a survey to engage stakeholders in the key aspects of Sustainability with the DSF project.

Implementation process	Purpose	Output
Recognizing issues related to sustainability of the country, the world, the dairy industry and the global dairy sustainability framework (DSF).	Review challenges and opportunities of sustainability. Acquire and research global sustainability initiatives and in the dairy industry.	List of areas and aspects of impact
Discuss and interview with a group of internal experts	Assert sustainability challenges across different criteria and compare practice from existing sustainability efforts at Vinamilk in management methods and production standards, key strategies and goals, measurement and evaluation, current challenges, risks and opportunities. Discuss social and environmental impacts of Vinamilk throughout the value chain.	Matters and aspects directly related to the value chain such as dairy supply and farmer relations, production and operations, logistics, employment and working conditions, product development, strategic overview and market development...
Establish the relationship with key stakeholders.	Identify stakeholders to implement Engagement activities.	The list of stakeholders includes: Customers, Investors, NGOs, Partners, Community, Employees.
Stakeholder online survey of material aspects. The length of the online survey is designed to be up to ten minutes.	Acknowledge comments from stakeholders on the importance/ less importance of material aspects to help Vinamilk prioritize important topics.	The results of ranking the most important sustainability criteria (1) for them and (2) for Vinamilk to focus on in the coming years and (3) evaluating Vinamilk’s current performance on sustainability criteria. The survey was sent to 221 internal stakeholders and 78 external stakeholders and had an overall response rate of 73%.
Data analysis, using comparative methods including Pairwise Comparison method.	Assess Vinamilk’s level of control and influence on sustainability criteria throughout the value chain. Assessing the link between aspects affecting an aspect brings value to one or more other aspects, thereby balancing resources and important directions.	Ranking of criteria in which classification is classified into higher priority group and lower priority group
Hold a confirmation meeting with LMG and stakeholders who contributed to the process to discuss the priority of the 11 criteria.	Verify and confirm material aspects with related parties. Share Vinamilk’s Sustainability orientation in the future. Receive feedback, review available resources, on-going programs as a basis for decision-making.	List of material areas, classified into three groups from highest to low priority. List of aspects that stakeholders want Vinamilk to pay more attention or include in the future, including forest protection The recommendations are mostly consistent with Vinamilk’s sustainability strategy.
Discussion among members of the Sustainability Committee.	Develop goals and action strategies related to Sustainability.	Sustainability policy and commitment by materiality areas. Goals and action strategies
Implement and deploy according to PDCA (Plan – Do – Check - Action) principles.	Presented in chapter 3: Material areas	





1. Soil Quality & Retention
2. Soil Nutrients
3. Water Availability & Quality
4. Biodiversity
5. Market Development
6. Waste
7. Animal Care
8. Greenhouse Gas Emissions
9. Rural Economies
10. Working Conditions
11. Product Safety & Quality



# CHAPTER 3

## MATERIALITY AREAS

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Waste management	60
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# PRODUCT SAFETY AND QUALITY



21



# International quality

## Vinamilk quality

The principle driving Vinamilk's operation is considering quality as the top priority. Each product was born from the international standard Quality and Food Safety and Hygiene management system foundation, on the leading modern machinery and equipment line and tested by ISO 17025 laboratories. Vinamilk ceaselessly strives for perfection with all passion and creativity for the stand tall Vietnam.

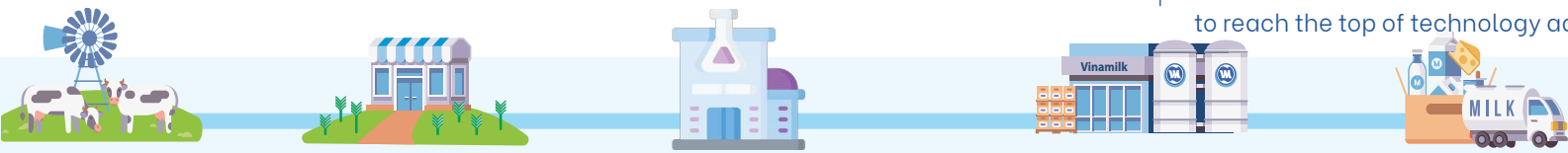




# International standard quality and food safety management system

Building nearly 20 international standard systems applicable to the operation chain, Vinamilk is proud to be one of the pioneers in standardizing the operation procedure in various aspects: from quality, food safety and hygiene to energy, environment and social responsibility so as to bring high quality and valuable products, serving as the most suitable and diverse choice for protecting human health and environment.

Strict and effective management system is based on integration and risk management under ISO 31000 standard throughout the operation chain. PDCA cycle production; strictly comply with regulations on factory hygiene, environment, machine and equipment and hygiene in satisfying food processing industry standards. The storage, preservation and distribution systems satisfy food safety standards to serve customers with the cleanest, freshest and most delicious products.



From international standard farms	Source of clean ingredients	Product design	International standard factories	To international standard storage and distribution
ISO 9001:2015 Global G.A.P Organic EU Organic China	88% Raw material suppliers were granted with GFSI-recognized Food Safety Certificate (*)	Satisfy National Standards. Satisfy the requirements of international customers in such markets as Japan, USA, Australia, China, etc.	ISO 9001:2015 FSSC 22000 BRC ISO 17025 Halal Organic EU Organic China	ISO 9001:2015 Organic EU

(\*) GFSI: Global Food Safety Initiative

# Modern technology

Vinamilk has promoted the digitization of the corporate management system and the application of 4.0 technology in the value chain, from farms, production, business support to distribution. Owning a widespread system of factories and farms, advanced and closed automatic production lines, smart and modern warehouse system for assurance of maximum safety and product quality, etc. Vinamilk has been tirelessly seeking and applying modern science and technology with the aspiration to always be the pioneer to reach the top of technology advancement.

# National brand of international standard

By 2022, Vinamilk has exported its products to 57 countries and territories. Vinamilk’s research and development team, with deep understanding of local needs and nutrition, has carried out intensive researches on each market to satisfy the tastes and requirements of local consumers and comply with the foreign laws in the markets where Vinamilk’s operations take place. Accordingly, Vinamilk’s products have been present in large countries in Asia, Europe, Africa, the Middle East, etc. in which the three most typical markets are China, Korea and Japan.

Thanks to strategies on international brand positioning, Vinamilk has positioned the company among the top 36 largest dairy enterprises in the world and is on the way to the goal of inclusion in Top 30.

Vinamilk has successfully studied the condensed coconut milk product line exported to the Japanese market, which satisfies strict standards and serve the growing demand for plant-based milk for the vegetarians or those with cow’s milk protein allergy



Vinamilk condensed coconut milk products exported



The product of Date Flavor Nutrition Powder for Children is developed for countries in Africa and the Middle East

“Vinamilk leaves a strong impression on the consumers not only by its precise and flexible service quality, but also by delicious taste of products and satisfaction of Japanese standards. Condensed coconut milk is outstanding product with promising potential when it comes to market”,  
said Mr. Jun Hamada, our partner in Japan.

# Diversify products with reasonable price

Vinamilk continues to affirm its position by incessant evolvement and creativity not only in technology but also in product categories to diversify products at reasonable price, aiming to create more opportunities for everyone to access the most suitable nutrition source in the most optimal way.

Vinamilk's product research and development team partners with the world's leading nutrition corporations namely Ch.Hansen, DSM, etc. to apply the world's latest nutritional scientific achievements to products, intensively investigate local and foreign markets to learn consumer tastes and needs, seek opportunities and ideas for new product development.

## Powdered milk, nutritional powder, nutritional liquid milk



## Condensed milk



## Ice-cream, cheese, pasteurized milk



## Pasteurized milk, yogurt



## Yogurt, yogurt with live probiotics












## Nut milk, beverage





Greener

Cleaner – Healthier

Product		Proportion
	Nut-based products	1.25%
	Vitamin and mineral supplements	77.52%
	Soluble fiber supplements	9.99%
	Probiotic supplement products	4.50%
	Less sugar products	11.28%
	Natural fermented products	17.94%
	Organic products	0.18%
	Sugar free products	11.86%
	Weight loss products	0.15%

The team of experts at Vinamilk with extensive knowledge and more than 46 years of experience in nutrition and product research have been constantly refreshing, strengthening and greening the product portfolio. We have promoted the group of nut-based products, increasing the proportion of less sugar products, sugar free product and fermented products in 2022 and will continue to optimize the value in each product delivered to our consumers.

# The first company in Asia to own both fresh milk and baby powdered milk is certified by the Clean Label Project

With the goal of assuring honesty and transparency for products and packaging labeling, Clean Label Project (CLP), a US-based non-profit organization evaluates products through a focus on major issues significantly impacting consumer health including heavy metals, pesticide residues, microplastics and harmful chemicals, with a long-term view of the environment and public health.

Within the framework of the program, Vinamilk Optimum Gold has won the Purity Award 2022 – the most rigorous award from CLP for purity applicable to products for babies and children.

Also, Vinamilk Green Farm and Vinamilk 100% Organic Fresh Milk products are also the first fresh milk products in the world to achieve Clean Label certification for brands satisfying both product transparency from input materials to finished products and product labeling.

Mr. Nguyen Quoc Khanh – Executive Director of Research & Development Division shared: “In order to achieve this certification, Vinamilk Green Farm & 100% Organic Fresh Milk must go through a process of screening, testing and satisfying strict criteria on antibiotic residues, unexpected plastic compounds, heavy metals and pesticide residues. In addition to the above two products, Vinamilk is evaluating other products in compliance with “Clean Label Project” standards. This is an evidence of pioneering and highest commitment to consumers in producing delicious, high-quality, safe and transparent products.”





# Vinamilk Organic – Pure natural

By pioneering in the trend of sustainable development, Vinamilk has become the first enterprise to produce organic dairy products in Vietnam, including the first organic certified products in Vietnam namely:

### Organic farms:

- Non-GMO grassland
- No pesticides
- No chemical fertilizers
- Contribute to cleaner air and reduce water pollution
- Cows with no growth hormone
- Welfare of cows

### Organic production:

- Factory and production process satisfying Organic EU and Organic China standards
- The source of materials satisfies the 3-none standard
  - No growth hormone
  - Non-GMO
  - No antibiotic residue



# Vinamilk Super Nut Milk - Green energy, beautiful shape and healthy skin

Vietnam is not out of the global trend in increasing the demand for nutritional nut-based products. Nut milk products besides soy milk introduced by Vinamilk in the local market nearly 4 years ago are being increasingly and positively accepted by the consumers. Nut-based drinks from walnuts, almonds, soybeans, red beans, etc. are considered an indispensable source of nutrition for those who aim to live in close communion with nature. Nut-based products provide nutritious protein in a quick and convenient way, which can be served as a delicious energy-packed snack with a distinct refreshing taste from nature. Continuing the effort to promote nutrition

from Nut milk, in the solution to diversify protein sources in global foods, Vinamilk Super Nut product made from 9 premium nuts: Walnuts, Almonds, Oats and nutritious beans, is a prominent mark in Vinamilk’s nut milk line in 2022.





# Vinamilk Green Farm – Quintessence from sustainable farm model

Green consumption is no longer a trend but become a habit and an important criterion in choosing products of the consumers. Not limited to the use of products, the product “quality” and “value” are also evaluated through input materials, production standards, brands as well as sustainability criteria including environmentally friendly materials, animal welfare, biodiversity, reducing greenhouse gas emissions, etc. Being aware of such need, Vinamilk launched Vinamilk Green Farm product line - the quintessence from the sustainable farm model - where environmentally friendly agriculture practices are in place and created a furore with interest and love by the customers..

Vinamilk Green Farm products are created from the most modern system of Vinamilk Green Farm, including 3 farms in Thong Nhat Thanh Hoa, Quang Ngai, Tay Ninh with a cultivation area of more than 681 hectares, scale of more than 20 thousand purebred cows and calves imported directly from the US, Australia and New Zealand.. In the farms, the cows enjoy a rich source of nutritious food from the Ruzi, Mombasa, Oat and Fresh Corn, fields which are grown naturally, without using chemical pesticides and chemical fertilizers. The cool and fresh air created by natural groundwater and ecologically regulated lakes forms an ideal living environment for healthy cows to produce delicious and pure fresh milk.



Vinamilk Green Farm Fresh Milk - an environmentally friendly, green and healthy product is popular with the consumers with a light and pure taste.



“I am really impressed by the sharing of Vinamilk, one of the leading dairy companies in the world as well as one among the companies well implementing sustainability programs. I hope that every farm in Vietnam and many places in Asia will become “Green farm” because this is really an advanced model.”

Mr. Richard Hall  
Chairman of the Global Dairy Conference 2022 shared.

# 3 main pillars of Vinamilk Green Farm model

## Input selection

- The most modern farm satisfying GlobalG.A.P standard. Strategic location, scientifically connected with Vinamilk's most modern factories for assurance of raw milk quality during transportation.
- 100% purebred dairy cow breed imported from USA, Australia, New Zealand.



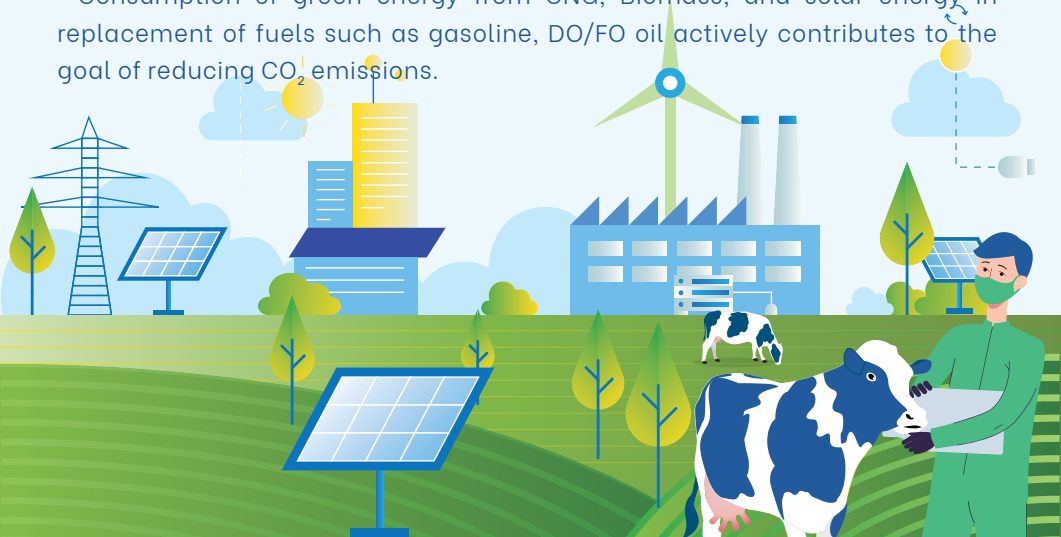
## Regenerative agriculture and circular economy practices

- 100% of Green Farms employ renewable energy such as solar energy. Modern waste treatment system in combination with Biogas technology significantly reduces CO<sub>2</sub> emissions, turns waste into resources such as organic fertilizer for grassland, methane gas to pasteurize milk for calves, dry grass to use as fodder for the cows.
- Application of organic atomic carbon technology to reduce methane emissions and odors in livestock.
- Soil – organic farming, no chemical fertilizers, no pesticides and application of a regenerative soil cycle to manage resources.
- Water resources are sparingly utilized and recycled to be reused in farming activities. Wastewater is treated so as not to affect the surrounding environment.
- Bio-regulating lake, a breakthrough initiative for air-conditioning and cooling the dairy herd in areas with hot and dry climates and contribute to the water cycle on the farms.
- Green area on Green Farms is maintained at a coverage rate of over 70%.



## Application of advanced technology to sustainable agriculture

- Dairy cows are cared for in special conditions with application of advanced technology. Animal welfare is also focused by Vinamilk. The farm has a modern cooling system, which helps to regulate the stable temperature of the barn in the microclimate in the barn area, creating a comfortable environment for the dairy cows to produce high milk yield with the best quality and free from growth hormones in livestock.
- In addition to raw milk from farms, Vinamilk Green Farm fresh milk products are characterized by sustainability guarantee at the production stage: factories producing 100% Green Farm fresh milk products all satisfy strict international standards, are equipped with a modern waste treatment system to ensure that 100% of wastewater is treated in conformity to standards before being discharged into the environment. Also, they are undergone a greenhouse gas inventory under ISO 14064 and aiming towards carbon neutrality under PAS 2060.
- Consumption of green energy from CNG, Biomass, and solar energy in replacement of fuels such as gasoline, DO/FO oil actively contributes to the goal of reducing CO<sub>2</sub> emissions.





# Optimal nutrition

Besides key product lines, Vinamilk develops many new product categories, constantly expands the product portfolio, and specializes products targeting to each user group. In this way, Vinamilk has offered customers a variety of optimal nutritional solutions and interesting experiences, becoming a nutritional friend of every family.

Along with economic growth, the society is increasingly interested in special consumer groups including the elderly, pregnant women, breastfeeding women, sick people, infants and children. Producing products with all our heart, Vinamilk's product development policy always focuses on these special subjects to provide the perfect and optimal nutrition for best protection and care for vulnerable groups in society.

## Pregnant mothers

A premium nutritional product effectively provides vital nutrients to meet the increased nutritional needs during pregnancy and lactation, and provide strong foundation for healthy fetal growth.



## Children in development

An advance international nutrition supplemental giving a jump start to children's developing, enhance immune system, improve weight, height & brain development.



## Children with special nutrition requirement

Providing full nutrition supplemental for children's optimized developed, healthy immune system, improve weight, height & brain development.



## Elderly people

A thoroughly nutritional solution for health & special need of

- Elderly
- People in health recovery.
- People with Diabetes.
- People with calcium supplement needed.



# Dielac: Developing with generations of Vietnamese people - Sustainability in the long run

The journey of Dielac powdered milk, the first baby formula brand from a Vietnamese enterprise, is closely associated with Vinamilk’s impressive development. The company has overcome great challenges from initial conditions such as limited facilities, seriously damaged factories after national liberation, and consumers’ doubts about local powdered milk products in light of competition with foreign brands in the market.

Dielac products are perfectly supplemented with international nutritional ingredients, which are not only most similar to breast milk but also best suit the physical and nutritional status of Vietnamese children. Moreover, Vinamilk focuses on cooperating with international organizations specializing in the application of micronutrients and micro-organisms in development of new products, diversifying the product portfolio in satisfaction of increasingly strict and selective demands of consumers. These efforts have gradually convinced Vietnamese consumers and affirmed the Dielac brand reputation, an advanced baby formula product made from the hands and brains of Vietnamese people.

## Affordable price, no one left behind

Dielac come with a comfort price suitable for most consumer, Vietnam mom and children, from country to city, always have a change to afford and using Dielac. Dielac growing alongside with health developing of Vietnamese peoples so no one being left behind, which also a part of the growing journey of Vinamilk.

## Extradiary quality product to ensure the overall children development

Dielac products coming with worldwide quality standard for Vietnamese childrens. With trusting and using Dielac for a long time, children development can be ensured by a complete and comprehensive nutrition foundation.

“Dielac brand is built from “heart”. It is the heart of mothers who want the best for their children; the desire of Vietnamese people to improve children’s nutrition, enhance the physical and intellectual capacity of Vietnamese people; and the heart of entrepreneurs - the aspiration to build an advanced dairy industry, on par with the global dairy industry development”.

Mrs. Mai Kieu Lien  
CEO Vinamilk.





# NUTRITION FOR FUTURE GENERATIONS

## STAND TALL VIETNAM MILK FUND

15 YEARS

MORE THAN



40.6 MILLION  
GLASSES OF MILK

NEARLY 500,000 CHILDREN  
IN 63 PROVINCES AND CITIES

TOTAL VALUE

VND 190 BILLION

IN 2022



1.9 MILLION  
GLASSES OF MILK

21,000 DISADVANTAGED CHILDREN  
30 PROVINCES AND CITIES

The year 2022 marked the 15-year journey of “Stand Tall Vietnam Milk Fund” accompanying disadvantaged children across the country with the mission “Every child can drink milk every day”. Accordingly, interesting activities took place such as milk donation day, field trip for happy experience, visiting Vinamilk Green Farm in Quang Ngai, the painting contest “I draw my dream to stand tall”.

The visit to Vinamilk Green Farm in Quang Ngai was an opportunity for the children to interact with the staff on the farm, play with the cows and experience a part of the production process of the nutritious milk that they are enjoying.





SCHOOL MILK PROGRAM

OVER 15 YEARS

26 PROVINCES



OVER 4 MILLION OF  
BENEFITED CHILDREN  
VINAMILK CONTRIBUTE  
VND 54 BILLION

Cherishing the aspiration to improve the nutritional status of students, over the past 15 years, Vinamilk has constantly strived to accompany the school milk program to bring quality products suitable for the health of Vietnamese children. By 2022, the School Milk Program has supplemented nutrition for millions of preschool and primary school students in 26 provinces and cities nationwide.



# Communication transparent

“Taking creativity as a vital element, Quality as the foundation, Vinamilk spreads the trust through transparency”

## TRANSPARENT LABELING

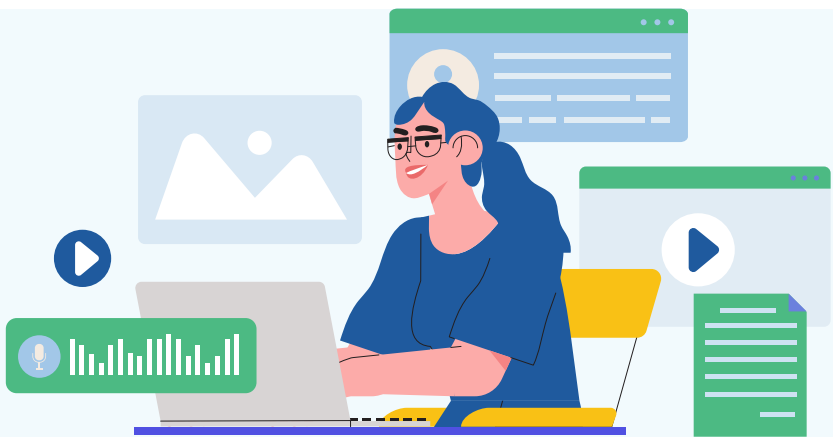
Labels reflect the way of Vinamilk to “communicate” with the consumers. The clearer and more transparent information on the product labels creates the peace of mind and trust for the consumers. Therefore, all product information of Vinamilk assures:

- **Transparency**
- **Consistency, synchronization across all information channels**
- **Completeness, timeliness and effect**
- **Compliance with Vietnam’s labeling laws with reference to international practices including Codex, FDA, etc.**

All product details are subject to specialized review by the Research and Development Department and compliance review by the Legal Department.

In 2022, Vinamilk committed no violations on trademark and product disclosure.

Vinamilk also applied TE-FOOD’s blockchain traceability solution for tracking organic milk. A separate QR code appears on organic fresh milk boxes for consumers to access information about the product origin from the raw material source from dairy farms to the manufacturing factories.



## HONEST AND RESPONSIBLE MARKETING

Vinamilk commits that all advertising information on products, services, production lines, etc. are honest, lawful, public and transparent, to ensure the legitimate rights and interests of consumers, without infringing the legitimate rights and interests of any individuals and organizations.

Marketing programs of Vinamilk are managed in the following principles:

- A specialized department is available to set up.
- A legal department is available to review.
- A mechanism for monitoring, enforcement and continuous improvement is in place.
- Comply with the law on commerce, advertising and consumer protection.
- Comply with the law on intellectual property and internal regulations on intellectual property of the Company.
- Comply with the law on competition and the Company’s Competition Policy.
- Comply with the law on management of nutritional products for children.
- Comply with the relevant tax laws.



# Customer **centric**



## Meet Vinamilk

### Meet Vinamilk anytime, anywhere

- » TV
- » Website Vinamilk.com.vn
- » Facebook, Youtube, Tiktok, Instagram, linkedin, ...
- » Advertising pano - billboard
- » Trade promotion events/ programs
- » Alibaba, Group B2B

### Experience and satisfy the individual personality of customers

More than 250 types of products, diverse categories by each target group including pregnant women, children, teenagers, adults, the elderly, the sick, etc.

### Various promotions

- » Preferential payment via Online payment gateways, e-wallets such as Moca, Vnpay, MoMo.
- » Promotions on important holidays such as New Year, International Women's Day, Vinamilk's birthday, special days such as March 03, April 04, May 05, June 06, Black Friday Online shopping festival, Year-end Super Sale Online on November 11 and December 12.
- » Attractive promotional items for all types of customers.
- » Shopping vouchers are given on the orders.

### Reaching out to international market

- » Export to 57 countries and territories.
- » Develop 10 new customers.
- » Won the title of Prestigious Export Enterprise in the 6th executive year.



## Believe in Vinamilk

### Vietnamese products - International quality

- » Food safety and hygiene management system FSSC 22000, BRC.
- » Products satisfying Organic EU, Organic China standards.

### Transparent and competitive price

- » Transparent pricing policy.
- » Competitive prices for each product segment.

### Commitment to confidentiality of customer information

- » Customer information confidentiality policy.
- » Process of handling complaints on customer personal information:
  - Phone : 1900 636 979 (Ext. 1) or 028 54161271
  - Email: eshop@Vinamilk.com.vn

### Strong Vietnamese brand

- » Top 36 largest dairy companies in the world.
- » Top 10 most valuable global milk brands (Rank the 6th - worth USD 2.8 billion).
- » Top 5 strongest global food brands.



## Choose Vinamilk

### Wide range of products

- » Direct shopping:
  - Nearly 650 Giac Mo Sua Viet stores.
  - Traditional channel retail system.
  - Nearly 8,000 points of modern channel.
- » Online shopping:
  - E-Shop page: giacosuaviet.com.vn.
  - Giac Mo Sua Viet mobile application
  - E-commerce websites: Lazada, Shopee, Tiki, Grabmart, Now, Baemin.

### Flexible payment methods

1. Cash on delivery (COD).
2. Online card payment - International card, domestic card (prepaid online payment at website).
3. Payment via Moca, Momo, Vnpay wallets.

### Fast delivery time

- » Same day delivery for orders placed before 10am.
- » Free delivery for orders over VND 300,000.

### Green consumer experience

- » Use eco-friendly cloth and biodegradable bags to reduce plastic waste.
- » Change the packaging towards environmental protection: remove the plastic ring around the water bottle cap, reduce the number of yogurt spoons in the product box, reduce shrink film, reduce the amount of plastic used for product packaging, etc.
- » Add recycling symbol on the packaging.



## Love Vinamilk

### Loyalty program with many attractive incentives

- Give more opportunities to access products to the consumers.
- Various discount policies and promotions.

### Listening to and Surveying customer tastes

- » Customer satisfaction survey:
  - Local: 97 %
  - International: 98 %
- » 100% of calls, email consultations are well served customers.

### Diverse customer care channels

Support and best serve your inquiries quickly in case of any questions, nutritional advice or complaints about product quality.

- » Tel:
  - 1900 636 979 (Customer care)
  - 1900 545 425 (Nutrition advise)
- » Website:

Customer care: <https://www.Vinamilk.com.vn/vi/goc-khach-hang>

Nutrition advise: <https://www.Vinamilk.com.vn/vi/tu-van-dinh-duong>

» Email: Vinamilk@Vinamilk.com.vn

- » Facebook:
  - Vinamilk – Giac Mo Sua Viet
  - Vinamilk – Vui Khoe Moi Ngay
  - Vinamilk Baby Care
  - Vinamilk – Song khoe, Song thanh xuan

Receive 24/7 customer inquiries and complaints.

23 Communication events on nutrition, health and Vinamilk's products.

Publish over 63 health articles with topics on nutrition for children, the elderly, women, and patients.



TABLE OF CRITERIA RELATED TO PRODUCT RESPONSIBILITIES IN 2022



CRITERIA	Result
Factories certified ISO 9001:2015; FSSC 22000	100%
Local factories with ISO 17025 certified laboratory	100%
GlobalG.A.P Certified Farms	100%
Number of violations on food safety	0
Number of product recall to poor quality	0
Total number of incidents of non-compliance with regulations and standards (voluntary participation) related to the health and safety impacts of products and services over the lifecycle	0
Total number of incidents of non-compliance with regulations and voluntary rules with respect to product, service and labeling information	0
Sale of prohibited and disputed products	0
Total number of cases of noncompliance with voluntary laws and regulations on communications and marketing, including advertisement, promotion and sponsorship based on outcome type	0
Monetary value of substantial fines for non-compliance with laws and regulations on provision and use of products and services	0
Monetary value of substantial fines for non-compliance with laws and regulations on provision and use of products and services	0

The criteria table is listed with the units within the reporting scope on page 78

# LOCAL ECONOMY

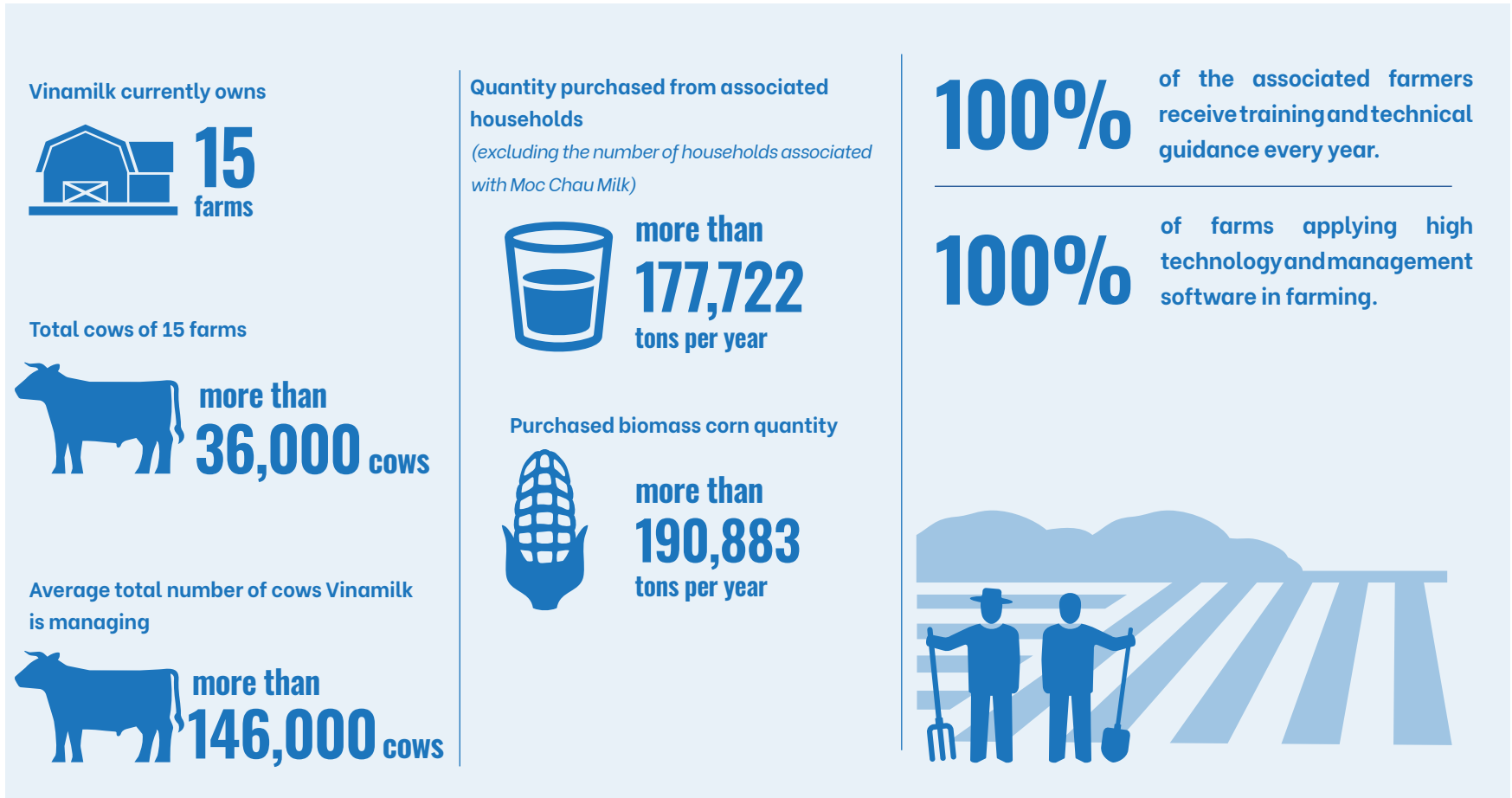






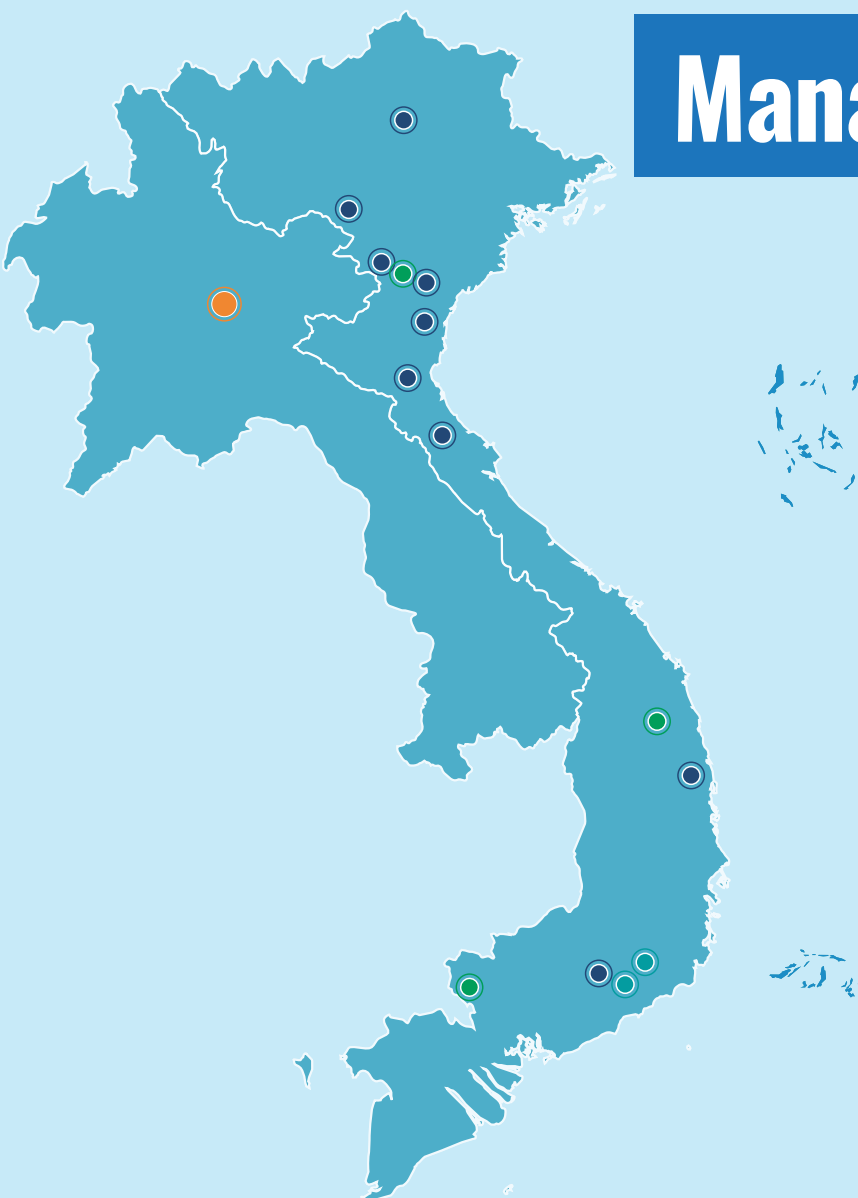
More than 30 years have passed since launching the white revolution laying the foundation for dairy cow farming in areas of tropical climates, so far, in an effort of proactively sourcing dairy materials in the local market, Vinamilk has built and possessed a national farm system from the North to the South, expanding to other countries in the region and linking to form a sustainable value chain with farmers in the mission of developing Vietnam dairy cow farming industry.

At every place of operation, Vinamilk creates thousands of jobs in the supply chain around the farm and factory ecosystem, making a significant contribution to the local economic development.





# Development of internal resources – Management of material sources



## 14 farms in Vietnam

- Tuyen Quang farm
- Thanh Hoa farm
- Nhu Thanh farm
- Hi-tech Thong Nhat, Thanh Hoa farm complex (No. 1 and 2)
- Nghe An farm
- Ha Tinh farm
- Binh Dinh farm
- Dalat farm
- Vinamilk Organic Dalat farm (No.1 and 2)
- Tay Ninh farm
- Vinamilk Quang Ngai farm
- Moc Chau farm

Raw materials are subject to fluctuation due to the social development and increasing demand for fresh milk in the country, in combination with current international issues such as political conflicts, wars, and epidemics. Therefore, self-reliance in raw materials is essential for sustainable development.

## Vinamilk Green Farm system

- Tay Ninh
- Quang Ngai
- Thong Nhat Thanh Hoa

## 1 farm in overseas

- LAO-JAGRO farm complex

## Organic Farm system

- Dalat
- Tay Ninh

In order to improve the quality and quantity of the internal supply of dairy materials, Vinamilk has constantly expanded its farming scale, with 14 international standard farms nationwide and 1 dairy farm complex in Laos; improved the breed quality by actively importing breeding cows from the US, Australia and New Zealand that are well adapted to the climatic conditions in Vietnam for high yield and high milk quality.

In 2022 alone, Vinamilk imported more than 2,500 HF dairy cows from the US to supplement the system of Green Farm system and Vinamilk's Lao-Jagro farm complex in Laos. Together with owning more than 2,000 cows at the farm system of Moc Chau Milk, increasing the total number of cows Vinamilk to 36,000 heads.

Along with the increasing number of cows, Vinamilk has constantly upgraded dairy farms and made efforts and breakthroughs in developing new farm projects in the coming time to expand the operation scale of the Company contribute to the economic development at the localities where Vinamilk is operating.

- Project on establishing a high-tech dairy farm complex in Song Hau farm – Can Tho
- Moc Chau high-tech dairy cow eco-tourism farm project
- Tay Ninh farm project No.2
- Vilico Tam Dao beef project





# IMPROVING FEED QUALITY

Vinamilk is also self-sufficient in feed sources. many green farms have been formed from vast grasslands and cornfields to serve cultivation and production of raw materials on the farm.

Also, Vinamilk has cooperated with the foreign experts and major industrial feed companies in the world to offer animal feed products with optimal nutritional composition for dairy cows.



“International standards are an affirmation of Vinamilk’s quality to the local and foreign consumers. Not only applying on one farm, we have established a standard resort system followed by a supplier chain such as farmers providing green feed in compliance with global standards. Accordingly, safe food from the farm to the table is assured and enables Vinamilk to export products to many countries.”

Mr. Trinh Quoc Dung  
Executive Director of Material Area Development Division

In an effort of improving production output and quality, Vinamilk’s farms have been aiming for sustainable development, especially environmental protection and promotion of circular economy development (See page 61).



# SOIL RECLAMATION, PRODUCING HIGH-QUALITY ORGANIC FERTILIZERS

Coordinated with organic fertilizer companies to organize testing and application of microbial organic fertilizers for maize farming in Tay Ninh, Organic Farms (Farms No. 2, 3), Lao-Jagro and collected results as a basis for mass-scale application on Farms. Moreover, Vinamilk partnered with Vietsugar and the Fertilizer Company to deploy 16 fertilizer testing models on households’ land and Vietsugar’s experimental farms to find a source of high-quality fertilizer suitable for crops and land.

# INTERNATIONAL STANDARD FARM MODEL

Vinamilk’s farms are built and managed in conformity to GlobalG.A.P standards. Moreover, to keep up with trend of high-end organic food, Vinamilk has also built Organic farms in satisfaction European organic standards certified by Control Union (Netherlands) and Organic China certified by NAUCC.

The international standard farming model, strict control of the in-transit preservation system between the units and quality inspection before and after arriving at the factories are the key control points that make up the quality of raw milk at Vinamilk.



# APPLICATION OF DIGITAL TRANSFORMATION IN FARMING

“Digital transformation” is the government’s direction in the course of national development and renovation. Vinamilk has been applying modern technology 4.0 in all stages of farm management and operation. Thanks to a comprehensive management and operation software system namely ration management, health and activity control system, maintenance software system through Delpro, afikim, DP21, Pharmadeluxe, DTMSuite, SCR software, etc. the cows are always monitored and optimally cared for to ensure good health of individual cow, high yield and quality of raw milk.



# Enhancing the value chain with farmers

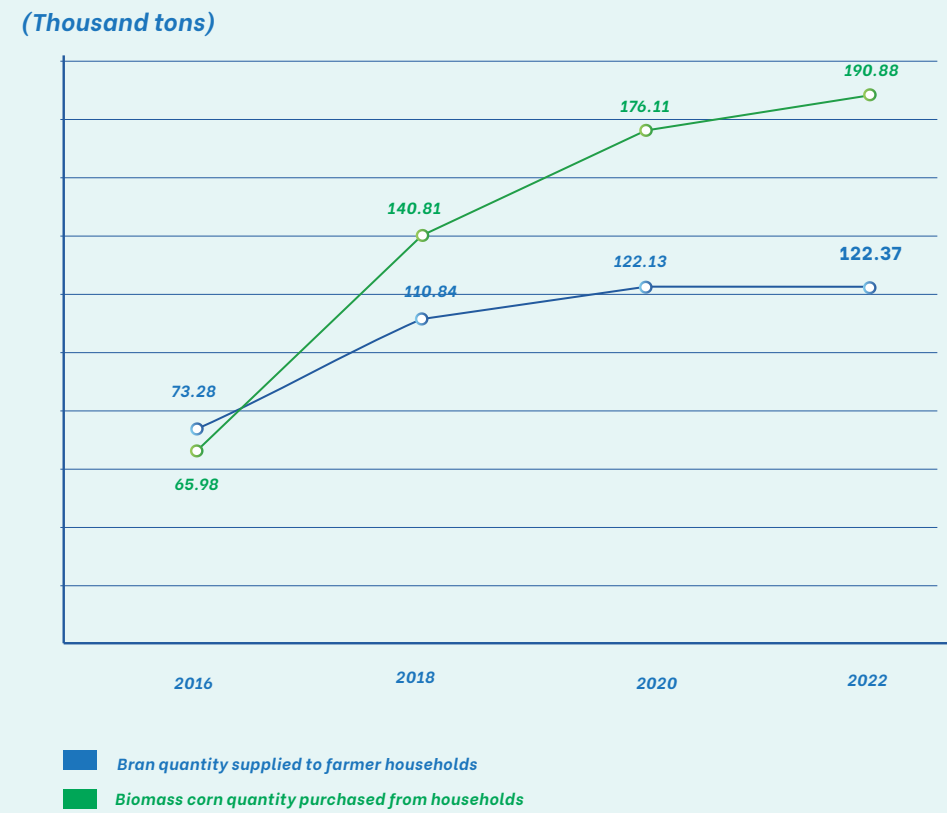
The linking chain between Vinamilk and farmers is stronger with a total herd of more than 85,000 dairy cows (excluding the number of households associated with Moc Chau Milk), producing an output of more than 177,722 tons per year. Also, Vinamilk is committed to purchasing all fresh milk at stable and competitive prices, concluding contracts with clear and transparent terms.

Each farmer engaging in the linking chain with Vinamilk is advised and takes over breeding techniques to care from breed to output, improve output, quality and cost efficiency.



# ACCESS TO HIGH QUALITY FEED

Feed sources with optimal nutritional composition for feeding cows not only increases milk production and quality, but also indirectly contributes to competitiveness and price stability. Starting from the end of 2015 until now, Vinamilk has been providing mixed feed (bran) satisfying Vinamilk’s technical standards to farmers in the localities. For more than 7 years of association, livestock farmers have accompanied and responded strongly, specifically, the production of bran supplied to farmers has increased in the past 7 years from 73.28 thousand tons (2016) to 122.37 thousand tons (in 2022). The source of quality nutrients has been helping farmers reduce production costs, feel secure and closely engage in and expand dairy farming scale.



# AGRICULTURAL TRANSFORMATION IN AREA WITH DIFFERENT CONDITIONS

Accompanying with local people, Vinamilk has promoted the transformation of agricultural crops to corn through the purchase of raw food (biomass corn) of local people during the past 8 years (from 2015 to present). Purchasing volume is increasing day by day, in recent years, purchasing volume has been at more than 190 thousand tons/year. Vinamilk also supports households in land assessment before planting, directly exchanges production methods that bring the best yield and quality for crops, introduces harvesting services if households encounter difficulties in hiring harvesting labor.

## DEVELOPMENT OF PROCUREMENT AND TRANSPORTATION

Vinamilk is managing a network of 80 milk collection stations nationwide to facilitate procurement and easy access by farming households. Also, Vinamilk supports dairy farmers to develop into a transit station in credit form to invest in facilities, cold storage tanks for assurance of milk quality in conformity to standards. Vinamilk has been modernizing milk collection stations in a closed process to maintain the best quality of milk during the process of purchasing and transporting to factories.

## DIGITAL TRANSFORMATION FOR HOUSEHOLDS

Realizing the need to quickly update information to promptly develop appropriate solutions for farming, Kaizala software is applied for notifying milk quality and milk price for increasing the efficiency of information exchange, supporting households to quickly update information and take early measures to improve milk quality, selling price and income.

VINAMILK IS MANAGING

**80** MILK COLLECTION STATIONS NATIONALWIDE

## ENCOURAGING VALUE ENHANCEMENT

In recent years, Vinamilk has maintained the incentive point accumulation program named “Vinamilk’s Loyalty Card” to support dairy farming households. In 2022, Vinamilk has spent nearly **VND 16 billion supporting more than 4,000 farming households**. This activity motivates production and encourage livestock farming to develop and increase the long-term attachment of livestock households to Vinamilk.

# WORKING CONDITIONS





High-quality human resources serve as the foundation for the sustainable development of enterprises. For retaining talents and constant renovation on the path of creating value for employees, Vinamilk has incessantly invested in working conditions, aiming to build a working environment satisfying employees' expectations.



## Factors of Vinamilk's working environment





# Occupational

# Health and Safety

Occupational health and safety acts as a prerequisite for a good work environment. Vinamilk always aims to build and ceaselessly improve the working environment, including facilities and cultural environment for creating good working conditions for employees to maximize their capacity at work.

The company not only complies with the Law, but also adopts ISO 45001 occupational health and safety management system for the Factories system in order to control occupational safety hazards and minimize risks of injuries and illnesses at workplace, ensuring the safety and health of employees.

## PRINCIPLES OF OCCUPATIONAL HEALTH AND SAFETY SYSTEM

Consultation on working conditions and occupational health and safety conditions

Planning based on risk analysis

Periodic training, awareness raising

Appointing and training specialized personnel

Prioritizing removal and control of hazards

Inspecting equipment with strict requirements on occupational safety in terms of shelf life, fire prevention and fighting equipment on a periodical basis

Organizing annual medical check-up for all employees, examination and detection of occupational diseases (or risks of disease)

Taking control measures

Developing preventive control measures and emergency response drills

Setting up system management structure

Monitoring the working environment on a periodical basis

Providing signs and regulations on occupational health and safety in production areas

Self-inspection, monitoring and evaluation



In 2022, Vinamilk continued to invest funds and personnel in occupational health and safety at the Units, in particular:

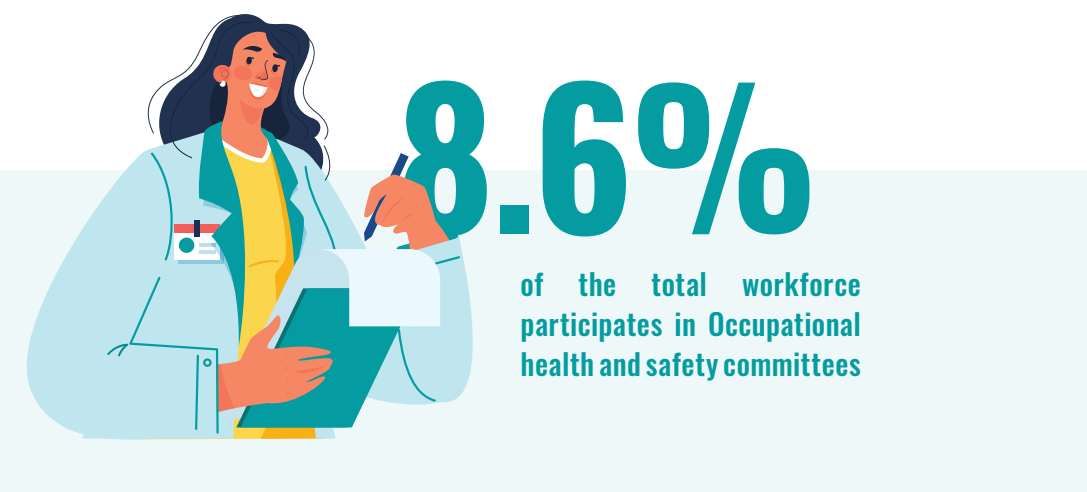
## Regarding financial aspect

Invested VND 17.18 billion in deploying technical solutions on occupational health and safety, provide personal protective equipment, training on occupational health and safety and VND 10.16 billion for periodic health check-up.



## Regarding human resources aspect

Ensured human resources in the management, inspection and supervision of occupational health and safety; setting up Occupational health and safety committees at Units; assigning full-time employees in charge of occupational health and safety; establishing safety and health teams.



### Implemented periodic assessment programs (every 6 months) on occupational health and safety for Units by the Company.

Regarding occupational accidents, in 2022, the whole Company had 1 severe occupational accident case and 6 mild injury cases (in 2021: 1 severe case and 5 mild cases, in 2020: 2 severe cases and 6 mild cases).

Regarding occupational diseases, in 2022, no more cases of occupational diseases were detected. The number of employees with occupational diseases detected in the previous years was 9 cases, all of these employees have been assigned suitable jobs.





# Employment relation

ATTACHMENT, RESPECT,  
EQUALITY, DEMOCRACY

## RESPECTING EQUALITY AND DIVERSITY

- **Gender equality in recruitment and payment**
- **No discrimination**
- **No child labor**
- **No forced labor**
- **No record of any case where the right to join the trade union and collective labor agreement can be at risk**

Vinamilk always attaches great importance to quality and transparency in recruitment. Vinamilk ensures fairness and transparency, no stigma and discrimination among candidates in terms of gender, ethnicity, skin color, social class, marital status, belief, religion, etc.

The company follows the principle of gender equality in recruiting, employing, training, paying, rewarding and promoting employees, social insurance, health insurance, unemployment insurance, working conditions, occupational safety, working time, rest time and other benefits. Also, the Company pays special attention to and offers certain incentives to female employees through the “Policy for female employees”.

### Vietnam’s largest job fair - “Growth Adventure”

Vinamilk attended Vietnam’s largest Job Fair organized by VietnamWorks with the theme “Growth Adventure” in August 2022.

As the main partner of this fair, Vinamilk introduced employees with useful information on careers and professional working environment, where employees are trained and develop themselves through challenging jobs, requiring creativity, breakthrough thinking. This bring a practical opportunity for candidates to meet and learn about the culture and working environment at Vinamilk – which has been voted as “the best work place in Vietnam” for many years.

Besides, Vinamilk is proud to introduce opportunities and information channels to update career opportunities at Vinamilk, which serve as a bridge connecting the high-quality workforce to the company.



## RESPECTING DEMOCRACY AND TRANSPARENCY

Vinamilk developed Labor Regulations, Labor Disciplinary Procedures, and Democratic Regulations to assure enforcement of the democracy and transparency principles at workplace:

- **Goodwill, cooperation, honesty, equality, publicity, transparency.**
- **Respecting the legitimate rights and interests of employer and employees.**
- **No contradiction to law and social ethics.**

The Company will notify employees in advance of significant changes in operations affecting employees. Public and transparent information from Vinamilk to employees comprises:

- **Performance of production and business tasks.**
- **Rules, statutes and regulations in relation to the obligations, legitimate rights and interests of employees.**
- **Collective Bargaining Agreement.**
- **Resolution of the Employees’ Conference.**
- **Setting up bonus and welfare funds.**
- **Deducting and paying trade union fees, paying insurances.**
- **Situation of emulation, commendation, settlement of complaints and denunciations.**



# RESPECTING AND PROTECTING THE RIGHTS OF EMPLOYEES

Right from the onset, Vinamilk’s Trade Union was established and maintained to respect and protect the rights of employees. In 2022, the Trade Union actively launched many relevant and meaningful movement activities. In addition, the Grassroots Democracy Regulations were also implemented: focusing on directing trade unions at all levels to actively engage, coordinate well in the implementation of the Grassroots Democracy Regulations, strengthening the supervision over the implementation of the Grassroots Democracy Regulations at the units; directing the construction of underlying trade union activity models such as:

collecting public opinion, organizing dialogues, negotiating and signing the collective labor agreement, organizing employees’conferences.

In addition, the activities organized by the Company’s Trade Union contribute to increasing the attachment with employees:

- **Organizing sports contests at Units’ trade union.**
- **Participating in contests of the Union of Industry and Trade with many significant achievements.**
- **Continuing to organize timely volunteer activities to support the front lines against the epidemic and localities severely affected by Covid.**
- **Allowance for the Lunar New Year in 2022 for employees, Workers’ Month, Action Month for Occupational health and safety in 2022, etc.**



# BUILDING ANTI-FRAUD AND ANTI-CORRUPTION CULTURE

At Vinamilk, the regulations on prevention of conflicts of interest, corruption and bribery are clearly set out and communicated to all employees in several forms including: communication by managers, emailing to all employees, as set out in the Code of Conduct.

- **New employees are undergone induction training on the Company’s rules and regulations, including the content of the Code of Conduct, prevention of conflict of interests, anti-corruption and bribery. After training, employees are required to sign a Certificate of Training and commitment to implementation**
- **All employees signing an labor contract with the Company are aware of the content of preventing conflict of interests, corruption and bribery and sign a commitment to comply with the Labor Contract Appendix with the Company**
- **These rules are also communicated to the Company’s partners, suppliers, etc. for mutual understanding and implementation.**



# INTERNAL CONNECTION

Vinamilk maintains internal communication to all employees, provides diverse, timely and accurate information on company culture, production and business information, achievements and prominent awards, internal cultural activities, communication for new brands and products, etc.

Internal communication channels:

- Email: [hopthunoibo@vinamilk.com.vn](mailto:hopthunoibo@vinamilk.com.vn)
- Youtube: Vinamilk's internal news channel
- Website and mobile app: myVINAMILK

Internal communication highlights in 2022:

- Building and communicating information updates through the internal communication channel myVINAMILK (website and mobile application).
- Organizing visits and giving gifts to children in the Stand Tall Vietnam Milk Fund program for staff at all units.
- Organizing a series of #GenV Action programs to engage staff and employees in practicing green and healthy lifestyles.
- Vinamilk #2gether & Vinamilk #GreenYear program spreaded good deeds of planting trees for a good environment.



# ACCOMPANYING IN SUSTAINABLE DEVELOPMENT PATH

Vinamilk engaged each member in accompanying the company on the sustainable development path. Since 2020, Vinamilk has linked employees more closely to the company's sustainability planning process, marking the companionship through direct survey of all employees on sustainability aspects. Accordingly, each member of the company raised awareness and contributed to building Vinamilk's operation orientations associated with future Sustainable Development.

Moreover, Vinamilk also internally communicated contents on: the Company's Sustainability orientation, the Sustainability Report, the Company's Sustainability & Environment awards to encourage sense of Sustainability among staff and employee.

According to the survey results, Vinamilk's staff and employees believe that Sustainability is the most important factor with economic, social and environmental impacts on Vinamilk's operations, and Vinamilk needs to aimed at:



Market development



Product safety & quality



Working conditions



Water source and quality



Waste

# Good remuneration , and welfare policy

Vinamilk is committed to creating jobs with good income and benefits for taking care of the material and spiritual life of employees.



## SHARING PROSPERITY

All employees of Vinamilk (including the top management and senior leaders) are entitled to remuneration as per the Company’s Regulations on Salary and Bonuses. Remunerations include:

- Salary: The company builds salary range system for each employee level, ensuring compliance with the provisions of the Labor law, high consistency throughout the Company and ensuring competitiveness in the market. Every year, the Company participates in Mercer’s market salary survey, from which, Company will have policies to adjust the salary scale, as well as adjust the salary level for employees in accordance with the market based on the assessment of capacity, evaluation of each employee’s work performance and consistent with the company’s business strategy in each period.

- Working conditions allowance: depending on the nature of each employee’s work, the Company will apply appropriate forms of working conditions allowance to support employees to successfully complete their assigned work, towards complete the overall results of the Company.

- Other bonuses and welfares: Every year, the Company deducts 10% of profit after tax into the Bonus and Welfare Fund. The Company will use this fund to pay additional monthly income for employees, pay bonuses according to the annual performance evaluation of employees and make other welfare payments for employees according to the Collective Labor Agreement.

The basis for determining the income of each employee is the balance of 4 factors including:

- Job position
- Personal capacity achieved/performed
- Work performance
- Operation results of the company

### WELFARE FOR EMPLOYEES

#### HEALTH CARE

- Social insurance
- Health insurance
- Unemployment insurance
- Medical insurance
- 24/24 accident insurance
- Periodic health check

#### LIFE WELFARE

- Cultural - art - sport activities
- Annual vacation
- Birthday, marriage gifts
- Gifts for employees’ children: June 01, Mid-Autumn Festival, Excellent students, etc.

#### POLICY FOR FEMALE EMPLOYEES

- Gifts for female employees: March 08, October 20
- Childcare support
- Maternity allowance

#### ALLOWANCES AND REWARDS

- Meal allowance
- Travel allowance
- Telephone allowance
- In-kind allowance for employees working in toxic environment
- Performance-basesd bonus
- Employee Stock Ownership Plan (ESOP)



# Cultivating talents

In addition to the employee-oriented personnel policy and top-notch remuneration, the development and nurturing of talents is an “ace” for Vinamilk to ensure high-quality human resources and develop the successor team in the new development phase according to the Company’s strategy.

## SUCCESSION PLANNING PROGRAM

The succession planning program in 2022 focuses on building a regulatory framework on planning orientations and personnel standards in the new period, ensure availability of high-level resources for the stage of developing and implementing the 2022-2026 Strategy.



## MANAGEMENT TRAINEE PROGRAM

In 2022, Vinamilk continued to cultivate talent and build a management team for the Company through the Management Trainee program. The program is part of the human resource development strategy for providing high-quality input for the Company’s management team, discovering and developing young, inquisitive, logical-thinking and creative talents suitable for Company culture. This program brought positive motivation for the working environment in departments, satisfying the needs of works at departments implementing expansion plan and projects of the Company.

After 18 months of training and development with 70-20-10 training principle, of which: 70% in practical work and projects, rotating through different departments/units; 20% from the share of the trainers, and 10% from the courses, the Management Trainees officially graduated in August 2022, of which 1 Management Trainee became the Head of Department and 13 Management Trainees became experts in Vinamilk’s departments/units. These Specialists will continue to have the opportunity to express themselves in their professional positions and strive to become managers in the future.



Through the management trainee program for the years 2014 - 2016 - 2020, the Company has developed **16 Management Trainees** into the Management level of the Company.

# EMPLOYEE TRAINING ACTIVITIES

Vinamilk always gives opportunities to employees to improve their knowledge in all relevant operations and maximize their potential. The Company provides training to equip employees with knowledge and skills in accordance with the provisions of the Law and the applicable standards, and improves capacity of employees in satisfaction of job requirements.

In 2022, Vinamilk invested in human resource development with 584 training courses organized and 28,101 turns of trainees participating in training. Priority is given to compulsory courses in accordance with the State’s regulations, knowledge updating courses and management – leadership courses for newly promoted managers.

Based on the need for human resources with specialized knowledge and advanced skills, mastering advanced technologies in the global dairy industry, Vinamilk has invested to build a workforce in various industries including Animal husbandry – Veterinary – Epidemiology, Milk and dairy product processing technology, Production, Business, Finance, Technology, Digital transformation, etc. to suit job requirements and the Company’s development strategy as well as responding to the evolution of the business market.

**Capacity building programs for management team: Management skills for middle-level managers, Intrinsic leadership, ect.**

**Professional training programs for employees in the following areas:**

**Laws:** Laws on public company governance, bidding operations, certificates of origin, INCOTERMS – International commercial activities, etc.

**Medical training:** Radiation safety, Vaccination safety, Medical laboratory quality management under ISO 15189 standard, etc.

**Production:** Occupational health and safety, Fire prevention, First aid, Awareness of quality standards, Training of internal auditors (ISO 9001, 14000, 17025, 50001, PAS99, FSSC, HALAL, BRC, etc.), Energy management, etc.

**Marketing:** courses on Digital Marketing, Brand building, New product development, Understanding consumers & personalizing experiences through content creation, application of data, technology, etc.

**Finance:** Updating laws on tax, customs, IFRS, intensive international payment operations, Cash flow management, Debt management and recovery skills, etc.

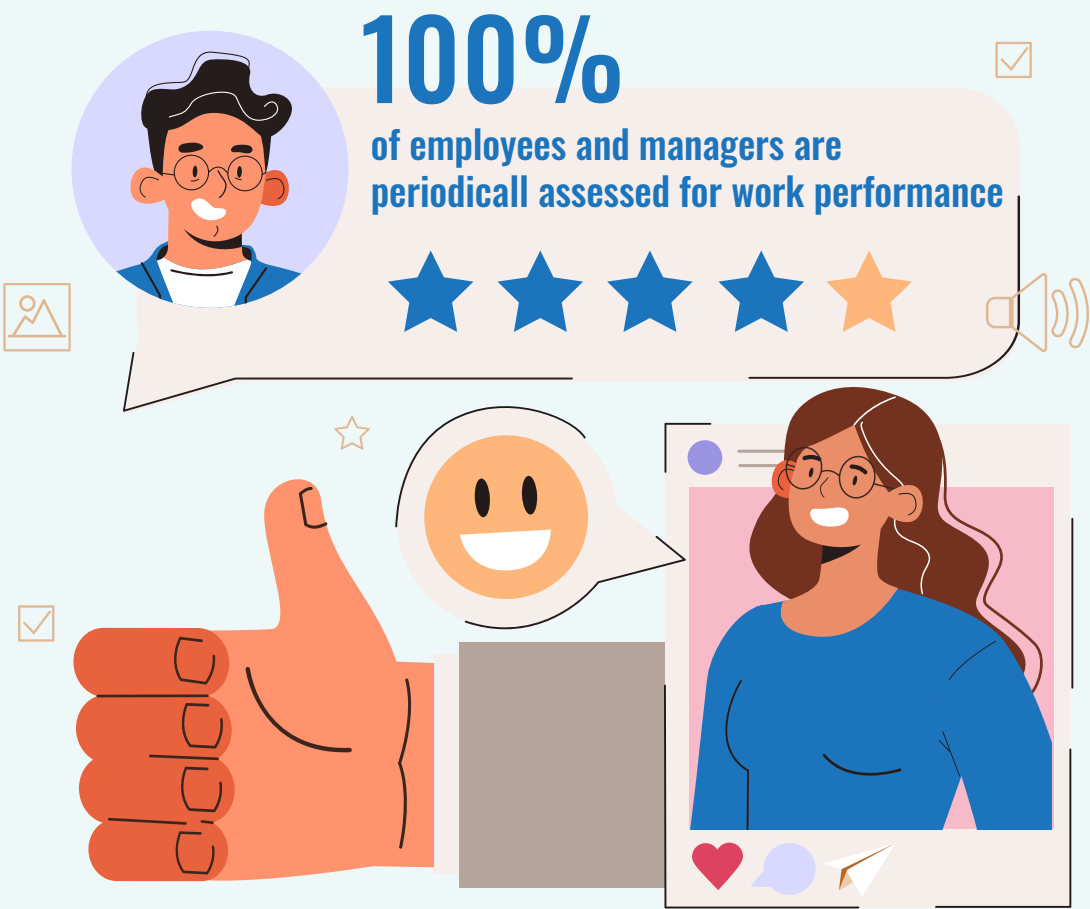
**Research & Development:** Training committees for evaluating the taste of dairy products.

**Internal control:** Instructions on European organic standards for Production and Breeding.

# WORK PERFORMANCE ASSESSMENT

With the goal of evaluating employees in a comprehensive, effective, fair and transparent manner, in 2022 Vinamilk continued to maintain an employee evaluation system including many aspects: Assessing the monthly performance of employees, evaluating the Job Objectives and Competencies of the Managers in an annual basis.

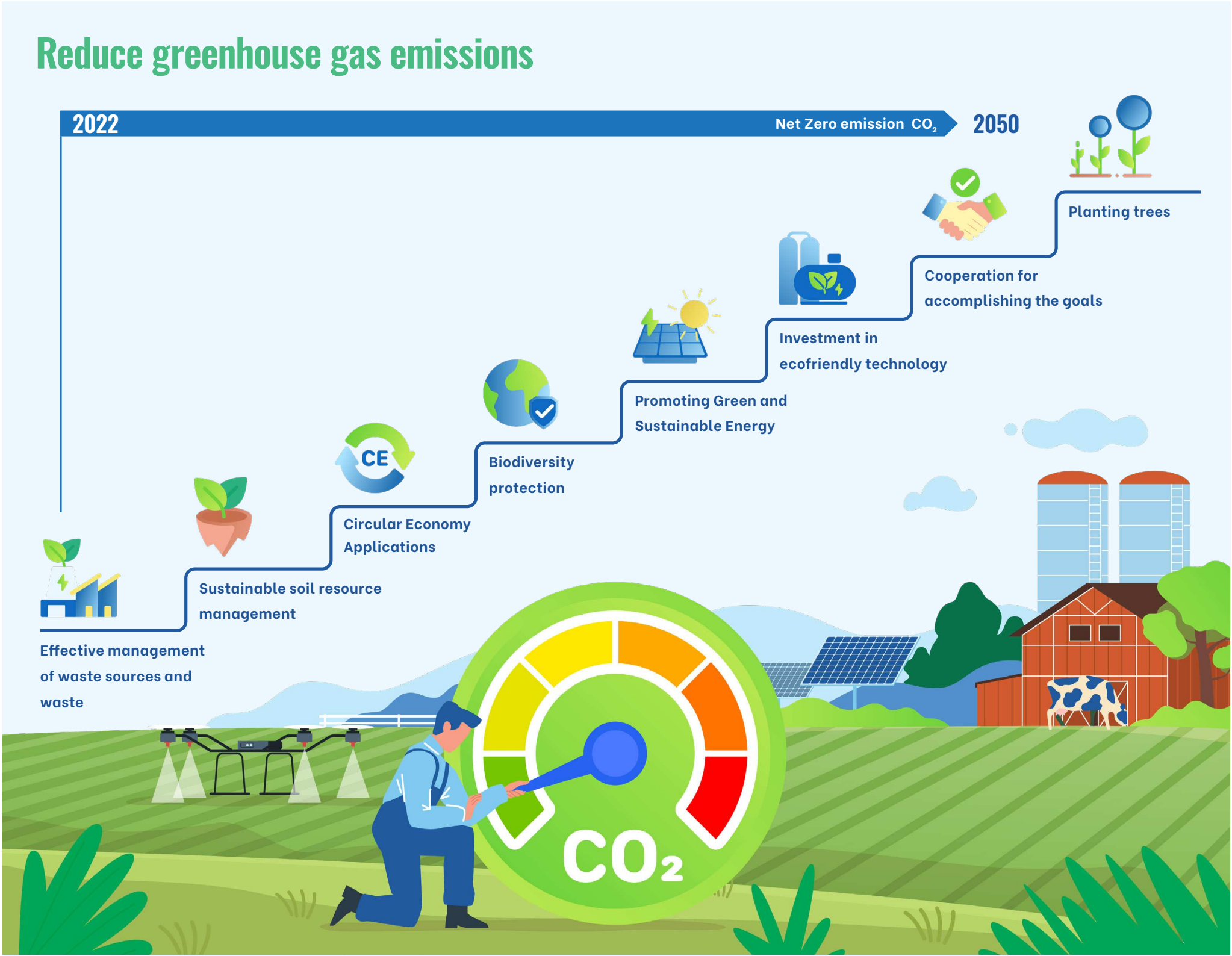
Moreover, the Evaluation module was also built on the new Human Resource Management Software of the Human Resources Department to systematize the evaluation results of employees, contributing to improving efficiency, speed and accuracy of to the Company’s Employee Performance Management System.



# GREENHOUSE GAS EMISSIONS

In an effort to achieve the government-oriented net zero emissions target at COP26, Vinamilk, as the leading dairy company in Vietnam, has taken a multi-pronged approach, methodically and synchronously implemented solutions, aiming towards not only climate-related goals but also nature, health and livelihoods related goals.

Vinamilk has deployed sustainable development as a key task in its development strategy for the period 2022–2026, in particular: promoting the sustainable development path based on successful models of the global dairy industry; applying science and technology to agriculture and production in sustainability direction; increasing renewable energy and planting trees to neutralize greenhouse gases, aiming to achieve net zero emissions by 2050.





# GHG measurement and inventory under ISO 14064



**100% OF FARMS**  
HAVE IMPLEMENTED GHG INVENTORY UNDER ISO 14064



**100% OF FACTORIES**  
HAVE COMPLETED GHG INVENTORY UNDER ISO 14064

For effective GHG management, the basic foundation is data insight and accurate inventory data. With the motto: measurement enables management, Vinamilk is one of the first enterprises in Vietnam to standardize the GHG measurement and inventory method under ISO 14064 for production and livestock farming activities.

The standard GHG measurement and inventory not only enables Vinamilk to find many opportunities to reduce emissions, but also affirms its responsibility and orientation for continuous improvement and towards the most transparent, accurate and objective information to concerned parties.

# Waste reduction - investment in environmentally friendly technology



**LINE, MACHINES AND EQUIPMENT**  
IMPORTED FROM EU/G7 WITH STRICT EMISSION STANDARDS.



100% OF FACTORIES AND FARMS USING  
**LED LIGHTING SYSTEM.**



USING  
**ELECTRIC ROBOTS**  
TO GRADUALLY REPLACE DIESEL ENGINES.



**DEPLOYING OPERATING CALCULATION SOFTWARE**  
TO INCREASE THE EFFICIENCY OF MACHINES AND EQUIPMENT.



**DEPLOYING ENERGY MONITORING SOFTWARE**  
TO ANALYZE AND OPTIMIZE CONSUMPTION DEMAND AND LOSS.

Vinamilk has promoted investment in environmentally friendly technology, improved and optimized the operating time of machines and equipment, applied many initiatives on saving and efficient consumption of energy.

In production: Reviewing all operational processes in the production line, assessing actual consumption needs, working out innovations to reuse energy and materials, building circular economy business models so that “nothing is discarded”.

# Scaling solar power system



Solar energy systems installed at Vinamilk’s farms



3 YEARS OF IMPLEMENTATION



11 FACTORIES  
8 MILLION kWh/YEAR



13 FARMS  
11 MILLION kWh/YEAR

By 2022, Vinamilk has completed scaling solar energy systems for factories and main offices. One of the latest solar power systems had been installed with a capacity of 3,394 kWp at Vietnam Dairy Factory. This system uses 7,542 high-efficiency solar panels, 27 inverters 110 kW and high-quality auxiliary frames and conductors with a design life of over 25 years. The Vietnam Dairy Factory, also known as the “Mega factory” super factory, thanks to its modern automatic technology, a huge capacity of 800 million liters per year (about 2.2 million liters per day) and will be raised to a maximum capacity of more than 1 billion liters per year in the near future. Clean energy from the solar power system is used to serve the factory’s production activities, thereby saving a large amount of traditional energy, actively contributing to the transition to sustainable energy, reduction of the carbon footprint in manufacturing operations.

# Promotion of green energy consumption



86.8%  
OF GREEN, CLEAN ENERGY IS USED IN PRODUCTION ACTIVITIES AT VINAMILK FACTORY

Energy is one of the most important factors contributing to global greenhouse gas emissions. In order to achieve the goal of net “zero” emissions by 2050, in addition to effective energy consumption the conversion of traditional energy to green energy is an inevitable trend and a key task of Vinamilk.

During the year, Vinamilk realized its orientation towards sustainable energy consumption through a series of comprehensive measures and many large-scale projects. Vinamilk used saturated steam from Biomass-fired fluidized bed boiler technology to replace traditional energy, and used CNG instead of DO/FO oil-fired boilers in the series of factories.

Besides, the Farm has continuously researched and applied initiatives to make the most of the available biogas. This biogas will be recovered and used as fuel by the farm for saving costs.

36.8%  
BIOMASS RATIO/ TOTAL ENERGY USED IN PRODUCTION ACTIVITIES AT VINAMILK FACTORY

10.3%  
CNG RATIO/ TOTAL ENERGY USED IN PRODUCTION ACTIVITIES AT VINAMILK FACTORY

100% FACTORIES  
HAVE BUILT ENERGY MANAGEMENT SYSTEMS UNDER ISO 50001:2018

09 FACTORIES  
FACTORIES USING ENERGY FROM BIOMASS



INITIATIVE: BIOGAS DRYER FOR TOWELS AND WORK CLOTHES

POWER CONSUMPTION CAN BE REDUCED BY MORE THAN **140,000 kWh per year**  
SAVING MORE THAN **VND 274 million per year**

Previously, industrial dryers are often used to dry towels and workwear. Industrial dryers are energized to operate with high operating and maintenance costs. Through many research and testing processes, the Unit has successfully built a new clothes dryer, which utilizes hot water heated by Biogas to heat the air. The improved dryer has been operated stably, with high efficiency, satisfying the drying capacity of equivalent to industrial dryers.

The above invention not only gets environmental efficiency, but also makes the most of available energy sources and greatly reducing power consumption.



INITIATIVE: BIOGAS POWERED GRASS DRYER

THE DRYER CAN DRY MORE THAN **2,100 tons of fresh grass per year**  
EQUIVALENT TO **462 tons of hay per year**

The unit has incessantly researched many solutions to make the most of the energy from the Biogas system, including the initiative to successfully manufacture a grass dryer powered by Biogas. Prior to innovation, the grass was mainly handled manually by drying it in direct sunlight with low output and uneven quality. This innovation can solve the above problem. The dryer can dry more than 2,100 tons of fresh grass per year, equivalent to 462 tons of hay per year, ensuring a stable and continuous supply of feed sources to fully meet the health and nutritional needs of cows and calves while significantly reducing costs for imported grass and ensuring efficient use of available resources and green energy, thereby limiting greenhouse gas emissions. Realizing the economic value associated with environmental protection from this initiative, Vinamilk plans to increase investment in increasing the capacity of dryers and synchronously deploying this model for all farms in the system.



Planting tree – pioneering in carbon absorption solution

In order to quickly reduce greenhouse gas emissions, Vinamilk has been a pioneer with the Government in implementing the tree planting policy, which is a prioritized solution in Vietnam from early stages.

From 2012 to 2020, Vinamilk and the Ministry of Natural Resources and Environment coordinated to build the Fund of 1 million trees for Vietnam in 56 locations in 20 provinces and cities with a total value of VND 12.5 billion and total 1,121,000 trees planted. In addition to creating more green space for the country, the program has made an important contribution in spreading the meaning of tree planting, serving disaster prevention, climate conditioning, improving ecological environment, contributing to national socio-economic development, improving people’s living standards, thereby receiving the positive response of the community. The program is a typical example of Vinamilk’s efforts and actions for the environment, life and future.

Continuing this green journey, in 2022, Vinamilk and the Ministry of Natural Resources and Environment will restart the project “Tree planting to neutralize carbon towards Net Zero“. This is a project to respond to the goal of bringing emissions to “zero“ that the Vietnamese Government committed at the United Nations Climate Change Summit in 2021 (COP26).

This activity brings many benefits to the community, environment, livelihood, spreads the love of nature and a sense of environment protection for everyone on the path of neutralizing greenhouse gas emissions to accomplish the common commitment on Net Zero emissions.

TREE PLANTING TO NEUTRALIZE CARBON TOWARDS

**Net Zero**

TOTAL BUDGET

**VND 15 BILLION**





# ANIMAL WELFARE

Vinamilk, along with its strength in production and processing, is well known as a leading enterprise in dairy cow farming. Vinamilk has successfully deployed the 4.0 revolution in livestock farming, achieving the goal of modern science and technology application in association with sustainable development for building the best environment for cows. So far, Vinamilk is managing 14 farms, 01 Center for Dairy Technology and Embryo Transplantation certified to GlobalG.A.P across the country and 1 dairy farm in Laos, of which 04 farms certified to Organic EU, 03 farms follow Vinamilk Green Farm model. Vinamilk has perfectly built the ideal living space for cows, heightened the sense of responsibility for animal health, standardized the care process, aiming towards “humane farm animal care”. In these farms, dairy cows are happy and healthy and perfectly cared in all five aspects including nutrition, physical health, environment, mental state and behavior.



# 5 Aspects of animal wellfares

## NUTRITION

- The diet is designed by the international nutritionists and mixed under the TMR method.
- GlobalG.A.P standard feed quality which traceability function.
- Feeding Robots and Milktaxis are equipped to provide pasteurized milk for calves. The system of silage tanks, silos provides for automatically feeding of fine feed.
- Specialized software is equipped to monitor, record and evaluate the feed intake of each individual cow and make necessary and timely adjustment recommendations.



## HEALTH

- No growth hormone during the breeding process.
- Vaccination against diseases as per regulations of veterinary authorities.
- SCR health and estrus management system is equipped.
- Foot bath, equipment for trimming and caring cow's hooves are equipped.
- European technology milking system, individual cow management, warnings of abnormal signs.
- Sick cows will be massaged and fed by the aide.
- A veterinary drug management system is built for treatment of cow diseases.





# ENVIRONMENT

- European and American technology automatic cooling system of the latest generation optimally maintains humidity and temperature of the barn.
- Modern systems of feces raking and waste treatment and a team of daily cleaning staff are available to ensure a clean and dry environment.
- All walkways and walls around the barns are free of sharp objects, machines and equipment that can cause injury to cows, so that safety is guaranteed.



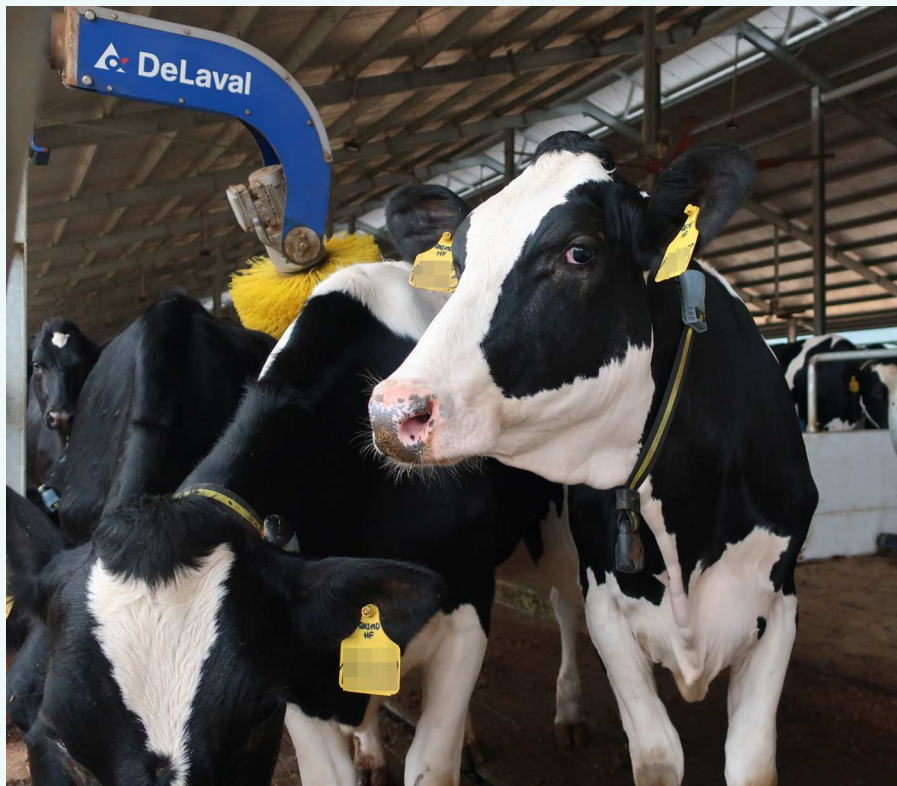
# BEHAVIOR

- Cows are grazed in herds, exposed to sunlight, and freely wander in the field like their instinctive behavior.
- The barn design is modern and spacious so that cows may freely move in different positions and easily perform their natural behaviors.



# MENTAL STATE

- Symphonies are played every day for cows to hear and feel happy.
- The “showering” area helps reduce thermal stress of cows between milking sessions.
- The scratching broom system massages the cows to make them feel comfortable.
- Soft and highly elastic mattresses are placed in the bed and in the aisles to enable the cows to feel the most comfortable when lying down and producing milk.
- Equip sawdust and straw for lining the floor so that the calves will feel comfortable.





# WASTE MANAGEMENT

Consistently pursuing the orientation of economic growth in association with environment conservation, Vinamilk determines that corporate responsibility is not only strict compliance with the legal regulations on waste management, but also emphasizing in optimal consumption of resources, improving the level of reuse and recycling of waste from the product design stage to the distribution and consumption stage. Vinamilk focuses on collecting and sorting waste at source, actively renovating production lines, investing in environmentally friendly technologies, building a circular economy model, thereby contributing to reducing emissions and greenhouse effects, organizing many community projects to raise awareness of environmental protection.



**100%**  
of factories have an environmental management system satisfying ISO 14001:2015 standard



**100%**  
of waste is sorted at source



**100%**  
of legal waste treatment contractor



**100%**  
of timely completion of environmental reports and periodic environmental monitoring



**No legal violations**



**No environmental incidents**

**No complaints on environment from the surrounding community**



# Circular economy

At Vinamilk, the circular economy is associated with the goals of environmental protection and sustainable development, notably the economical and efficient consumption of resources, minimizing and eventually eliminating all types of waste polluting the environment. As a result, in 2022, Vinamilk strived to implement many activities to transform the linear economy to a circular economy, in which efforts were made to convert chemicals into resources, reduce the consumption of input materials and utilize environmentally friendly materials which may be reused, recycled, and easily decomposed in order to minimize adverse impacts on the surrounding environment.

Innovations to reduce plastic, save energy and resources

44

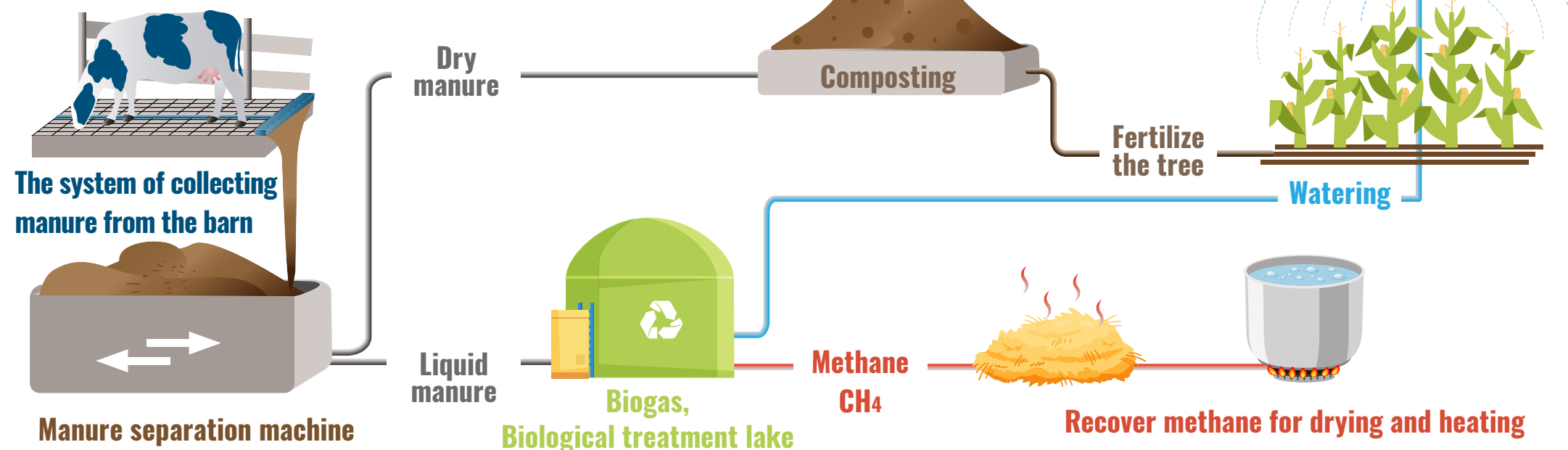
The total value of savings from these initiatives

VND 4.3 billion

## CONVERTING WASTE INTO RESOURCES

At dairy cow farms, waste treatment is always a top priority to protect the environment. Vinamilk strictly complies and implements waste management and treatment measures and all livestock farms are equipped with a modern, complete and closed waste treatment system.

Manure in the barns is automatically collected with manure scraper system operating according to a suitable cycle for the size of each barn. Manure from the scrapers is collected into the closed manure ditch, led to the sumps and pumped to the gathering area. Other organic wastewater sources are also transported to the area for treatment. At the central treatment area, manure is pumped to separators to separate the solid and the liquid from which appropriate treatment methods are applied.



The solid manure is reused by the farm by composting (applied under composting technology from Japan). This composting model converts manure into an organic nutrient source replacing chemicals and inorganic fertilizers and composted organic fertilizers are created with high efficiency:

- Improving soil structure and fertility: increasing nutrient content, providing soil humus, balancing soil microorganisms, increasing water retention capacity, preventing leaching and soil erosion
- Reducing climate change: reducing methane and nitrous oxide emissions from waste decomposition, while reducing the amount of inorganic fertilizers.

Liquid manure will be undergone an anaerobic treatment at a large-capacity Biogas reservoir in sufficient time to decompose suitable biological compounds, then going through many stages such as aeration, sedimentation, filtration, separation of residue before reusing.

Renewable energy generated from the biogas system is reused for other production stages on the farm: pasteurizing milk for calves, heating water for living demand, drying towels and clothes, drying grass.

# SAVING MATERIALS

Saving materials right from the initial design stage is one of the solutions focused by Vinamilk in building a circular economy model. Accordingly, the amount of waste generated in the year by Vinamilk is reduced by a correspondingly large amount. In 2022, Vinamilk continuously researched for innovation and improvement with many typical material saving initiatives including:

## Reducing paper from changing product containers

In addition to promoting plastic reduction, Vinamilk has made efforts in researching and minimizing other materials such as paper to limit the generation of waste into the environment. Upon research, the Unit has adjusted the specifications of the cartons, reducing the height of the carton while ensuring the product storage capacity, saving costs and reducing the amount of cartons generated.

- 2 months of implementation
- Saving 1.4 kg of paper
- Continuing to research and improve manufacturing techniques for cartons of other products with the same packaging specifications.



## Reducing plastic from changing product pallet stretch film design

Realizing that wrapping product pallets with stretch film generates a lot of waste plastic. Therefore, in order to reduce the amount of plastic, the unit has conducted research to improve the design of the stretch film wrapped around the product pallet, from material, thickness to height.

- Changing material from ordinary plastic to Nano material
- Nearly 40% reduction in size
- 50% reduction in stretch film size
- Reduction of 29,499 kg of plastic

Through many tests, the results indicate that this size change still maintains the firmness of pallet to prevent product falling during movement. By 2022, the Unit has implemented the application on all products of 220ml, 180ml, 110ml and 1 liter, thereby saving 29,499 kilograms of plastic generated.



# USING ENVIRONMENTALLY FRIENDLY MATERIALS

In 2022, Vinamilk continued to promote researches on the use of environmentally friendly materials. Vinamilk minimized the use of materials that cannot be recycled, reused, and are difficult to decompose.

- Using biodegradable plastic bags and reusable bags. All Vinamilk’s “Giac Mo Sua Viet” stores say “No” to the use of ordinary plastic bags.
- Vinamilk uses paper packaging based on Tetra Brick Aspeptic technology. The packaging is fully recyclable and FSC certified for products with environmental, economic and social benefits.
- In order to minimize adverse impacts on the environment, Vinamilk focuses on limiting the use of environmentally unfriendly materials by changing color PET plastic cap to colorless cap.





# Waste classification program

## for students

Vinamilk determines that the Earth and environment protection is a common duty of everyone and raising awareness of environmental protection contributes to sustainable social development. Therefore, communicating the message of the Earth protection, especially educating children, the “future masters of the country” on the importance of environmental protection is extremely essential. In 2022, Vinamilk accompanied the Department of Education to deploy a series of extra-curricular activities to raise environmental awareness for primary school students and commit to protecting the Earth. The program “Communication and education on sorting garbage for primary school students” is a series of activities jointly organized by SuSu, Hero and ADM brands. The event was held continuously from November 2022 to January 2023 at 60 primary schools nationwide, reaching nearly 75,000 students. The series of learning and playing events enabled children to nurture and form a sense of environmental protection, contribute efforts and join hands to help make the earth greener, cleaner and more beautiful.



The program was organized with the participation of many students



The fingerprinting ritual reflects a commitment to joining hands in protecting the environment

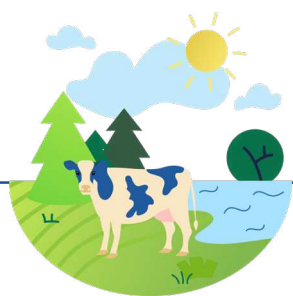


Small gifts were given by Vinamilk to children in the program



# SOIL NUTRIENTS, SOIL QUALITY AND RETENTION

In addition to the strength in production and livestock farming, cultivation is also one of operations of Vinamilk. Vinamilk believes that soil health – plant health – animal health – human health are a closely linked and interactional nutrient cycle. The reduction in soil quality impairs the quality of crop output, directly affecting the livestock production output. Therefore, ensuring effective and sustainable use of soil is extremely important for Vinamilk. Vinamilk is committed to investing in regenerative agriculture development, sustainable soil management in order to limit adverse impacts on the environment and soil.



**Vinamilk believes that soil health - plant health - animal health - human health are a closely linked and interactional nutrient cycle.**

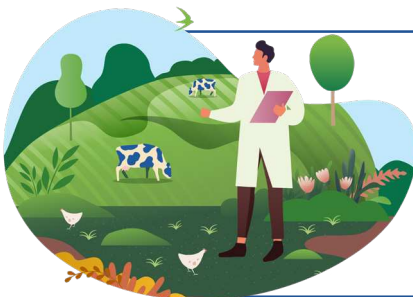
## Soil regeneration cycle



# Limitation of soil polution

Vietnam is one among the countries facing a significant risk of severe soil pollution. Therefore, in the business chain of cultivation – livestock farming – production – distribution of products, Vinamilk always upholds its responsibility to limit the impacts of soil pollution, protect the soil in particular and protect the environment in general by combining multi-faceted solutions including:

- **No cases of violation of Land Law, Vinamilk built and used land for the right purposes planned and allocated by the State.**
- **No untreated or unqualified waste is discharged to the environment.**
- **Exploiting and using water resources efficiently, especially groundwater, preventing water pollution and indirectly protecting soil pollution.**
- **No chemical fertilizers and pesticides in organic farming. Using organic fertilizers and biological drugs for pet control. Complying with European organic standards.**
- **Farms do not record copper burning cases.**
- **All Vinamilk’s dairy farms and centers have applied GlobalG.A.P practices.**



Vinamilk always upholds its responsibility to limit the impacts of soil pollution, protect the soil in particular and protect the environment.

# Soil erusion prevention and increase coverage

Soil erosion is a natural process affecting soil in all types of terrain, reducing topsoil fertility, disrupting soil structure and affecting soil nutrients. Therefore, Vinamilk always takes into account soil erosion risks in its agricultural activities, especially for farms with steep terrain and high risk of erosion. Solutions to minimize this phenomenon include:

- **Limiting activities that disturb soil structure such as underground plowing, plowing deeply; especially, underground plowing is not conducted in the rainy season.**
- **Maintaining vegetation covering the land surface, planting grass at the edge of cultivation plots, planting surrounding green fences .**
- **In 2022, Vinamilk has greened more than 1,182 hectares of pasture land through farming activities to provide raw fodder for cows, especially maintaining green area on Vinamilk Green Farms of over 70%.**



Vinamilk Green Farm in Tay Ninh has maintained over 70% of green area.

# Reclamation and improvement of soil nutrition

## Crop rotation

In order to maintain the soil health and nutrients, right from the onset, Vinamilk has assessed and analyzed the current structural status of each land, tested and selected suitable crops for the climate and soil conditions of each area, arranged a reasonable crop structure, in which the average cultivation was from 2 to 3 crops a year. In addition, Vinamilk believes that growing the same crop for a long time will lead to the depletion of nutrients in the soil, increasingly degrading the soil due to long-term cultivation without frequent plowing and reclamation, and the internal soil structure becomes solid. Further, each crop has a different interaction with the soil, releases and absorbs different types of nutrients, gives the soil different nutritional value and enables the soil to regenerate without additional nutrients from fertilizers.

Therefore, in order to improve soil quality, in 2022, Vinamilk focused on crop rotation among corn, rice and beans based on the soil conditions and weather and climate in each farm. For example, Tay Ninh dairy farm applied corn and rice rotation, Dalat Organic Farm applied rotation of corn and bean to ensure maintenance and improvement of soil nutrients.



Rice crop rotation



## Sufficient supply of fertilizers and water

Vinamilk has invested in an economical irrigation system and a water supply pipeline system serving self-propelled sprinklers to water the fields. Using the self-propelled sprinklers, flow of water may be adjusted according to each stage of plant growth, resulting in saving water and ensuring the best crop growth. Besides, the initiative and automatic the irrigation system improves the fertility of degraded soil, increases moisture, improves physicochemical properties of the soil, improves the porosity of topsoil, and increases the cohesiveness of the soil structure and soil microflora. In addition, this year the Farm reused 85% of livestock wastewater after standard treatment in field irrigation activities. The addition of this Biogas treated liquid manure will improve soil nutrition before sowing and during planting.

Besides, Vinamilk regularly monitors the quality of the soil to promptly supplement nutrients through the fertilization. Vinamilk always ensures the rational use of fertilizers by applying the right amount, the right type of fertilizers, at the right time and on the right object to ensure increased fertility for the soil, and increased crop productivity. Moreover, Vinamilk focuses on using organic fertilizers to replace chemical fertilizers, increasing the use of composted manure based om Japanese-style composting technology, while ensuring the soil is fully supplemented with enough nutrients and protecting the environment for sustainable development.



## Soil resting and regeneration

In year, Vinamilk is always cared in terms of time for soil resting and regeneration. In particular, after each crop, plowing and solarization will be conducted for soil reclamation. Suitable soil resting will enable the soil to breathe and absorb a lot of oxygen and nitrogen gas for regeneration and becoming more porous. At the same time, soil resting facilitates the development of soil biota, providing more nutrients for the soil. In addition, solarization may kill many pathogens that are harmful to plants.





# BIODIVERSITY

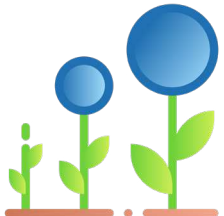


Biodiversity is a very important factor in Vinamilk's path of accomplishing sustainable development goals. There is a close interaction between biodiversity development and sustainable agricultural development. Biodiversity supports food production through pollination, natural enemies for pest control, and soil microbiota for improving the soil fertility. The diversity of animals, plants and microorganisms plays an important role in maintaining the crop and livestock productivity and contributing to the overall sustainable development of Vinamilk.

However, biodiversity has been threatened for many years and has become a global problem due to human impacts. Therefore, in an effort of biodiversity protection, Vinamilk has implemented comprehensive solutions for waste management, water and soil management to protect the living environment and biodiversity.



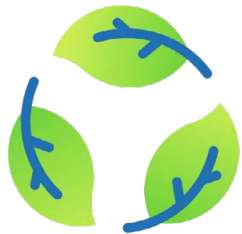
**No deforestation, no burning of fields, no hunting of wild animals.**



**Planting a variety of trees, rotating crops, greening the grassland area of more than 1,182 hectares.**



**Maintaining non-production area around the farm with green fences, water reservoirs functioning as ecological zones, creating safe habitats for wild and natural species.**



**Improving the soil quality and maintaining the soil structure, reducing the use of chemical fertilizers and pesticides in agricultural cultivation.**

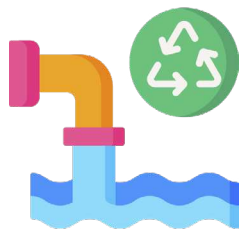


# WATER AVAILABILITY AND QUALITY



4.99%

of water is recycled and reused in Production



100%

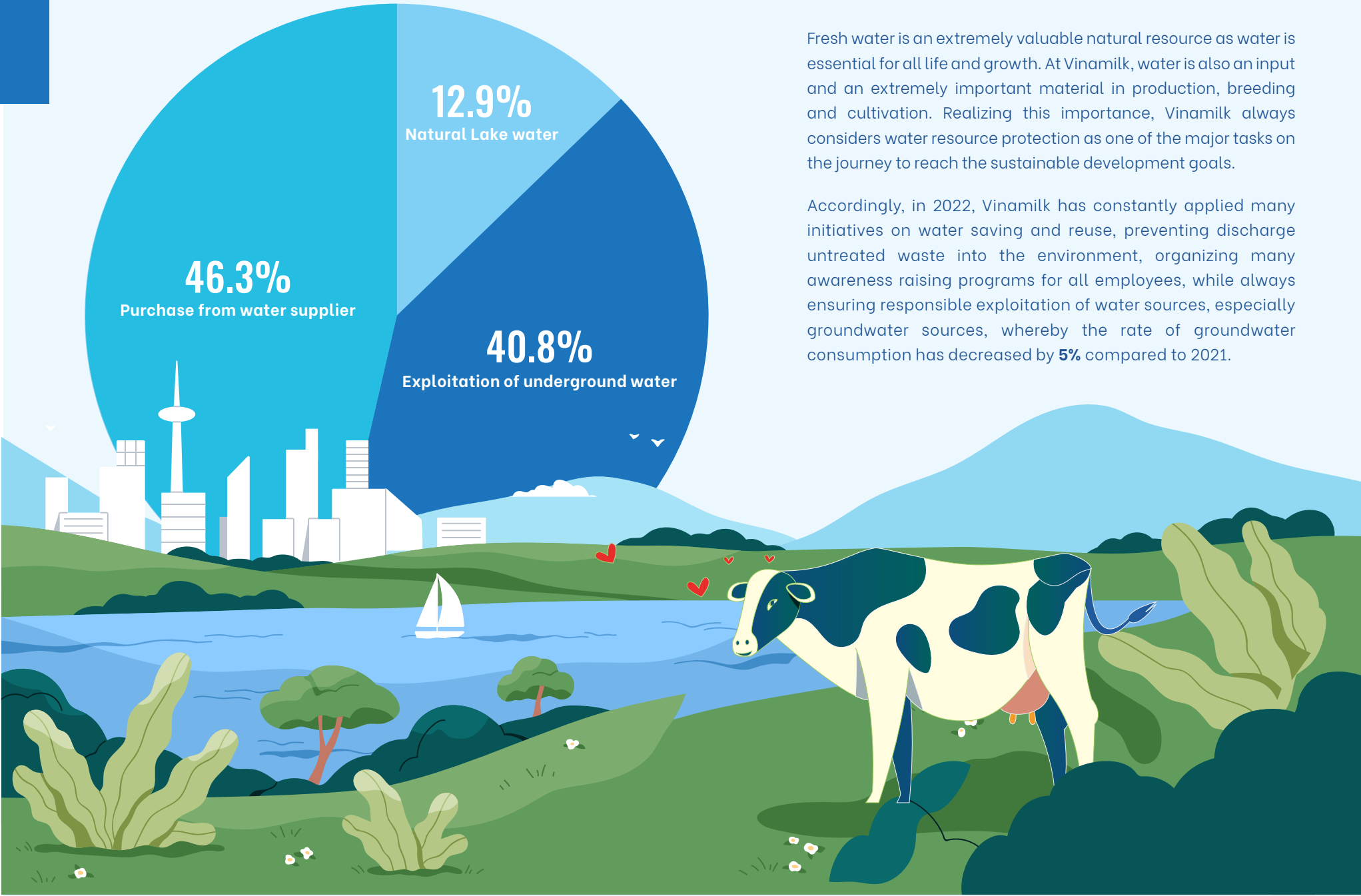
of Factory and Farm wastewater is treated under standards before being discharged into the receiving source.



85%

of livestock wastewater treated under standards is recycled and reused for cultivation

Ratio of water used



Fresh water is an extremely valuable natural resource as water is essential for all life and growth. At Vinamilk, water is also an input and an extremely important material in production, breeding and cultivation. Realizing this importance, Vinamilk always considers water resource protection as one of the major tasks on the journey to reach the sustainable development goals.

Accordingly, in 2022, Vinamilk has constantly applied many initiatives on water saving and reuse, preventing discharge untreated waste into the environment, organizing many awareness raising programs for all employees, while always ensuring responsible exploitation of water sources, especially groundwater sources, whereby the rate of groundwater consumption has decreased by **5%** compared to 2021.



# Commitment of no pollution to water sources

In an effort to protect water resources, Vinamilk first identifies that illegal discharges into the environment should be prevented so as not to pollute the water sources. Accordingly, at Vinamilk, the wastewater and storm water collection systems are independently designed to protect water sources, all member units have issued and strictly applied regulations on waste management, prohibiting any acts of indiscriminately discharging wastewater to the rainwater drainage, ponds, lakes in the premise. Use of chemicals is limited in cultivation and livestock farming on the farms and the dosage is strictly controlled so as not to pollute the surface water and groundwater due to residual chemicals. Also, Vinamilk always focuses on investing in wastewater treatment systems with the most advanced and modern treatment technology. Training is regularly provided to the operation team to improve professional their skills in monitoring the treatment efficiency of the wastewater treatment system, thereby ensuring that the output wastewater quality is always within the permissible limits as set out in the Standards.



Wastewater after treatment at Nghe An Factory is reused for fish farming

# Raising awareness and changing behaviors

Vinamilk believes that the best way to protect water resources is raising the awareness of all employees. As long as all employees voluntarily protect fresh water sources, Vinamilk’s goals of water resource protection in particular and sustainable development in general will be quickly accomplished. Hence, in 2022, Vinamilk has taken some measures such as pasting posters and pictures, organizing many training courses on waste classification, collection and economical consumption of water to raise awareness of environmental protection and sustainable development for employees.

Moreover, Vinamilk prepares plans, facilities, equipment, and responsive measures in case of spillage of the wastewater treatment system. Notably at the Farms, in order to avoid spillage of biological reservoirs due to weather changes, a backup plan was prepared by dredging sludge at the bottom to increase water storage space and lower the water level to promptly respond in the rainy season. Also, periodic drills take place at all units to respond to chemical spills, enabling employees to understand the importance and always be proactive in responding to possible incidents.





# Economical and efficient exploitation and consumption of water

Driving by the motto of exploiting and using water in the right place, at the right time, for the right purpose and in a reasonable quantity, the water exploitation and consumption amount at Vinamilk is always strictly controlled to prevent leakage and waste. Vinamilk also promotes economical consumption and water circulation aiming for optimization consumption. In particular, economical consumption has been implemented by Vinamilk from the smallest actions such as turning off the faucet when not in use, regularly checking and maintaining the pipelines to prevent leakage, using storm water for irrigation and sanitation; monitoring the meter on a reasonable basis. Moreover, Vinamilk constantly strives to research in enhancing technology and equipment for recycling and reusing water. During the year, many outstanding initiatives were applied to save a large amount of water, in particular:

## DESIGNING A COOLING WATER COLLECTION AND REUSE SYSTEM

The pasteurization system with capacity of 15,000 liters per hour wastes about 250 m<sup>3</sup> of cooling water per day on average. This water will not be reused and go to the wastewater treatment system. To avoid wasting fresh water and take advantage of the available water sources, a water circulation model has been researched and designed by installing a pipeline to recover cooling water after sterilization and bring it to the cooling tower for reuse. Thanks to the above improvement initiative, a total of **91,250 m<sup>3</sup>** of fresh water was saved in in 2022.



## STEAMING YOGURT JAM WITH CIRCULATING HOT WATER

Previously, for each batch of yogurt jam, water is pumped into the steamer, then the steam would be directly injected into the steamer to heat up water for steaming the jam. After this steaming process, the remaining hot water is treated by discharging it to the outside. In pursuing the goal of optimizing the water consumption amount during production, the above steaming process has been researched and improved by installing an additional intermediate tank to store hot water that is recirculated after each batch for heating treatment and reuse for the next steaming yogurt jam. The above initiative has brought extremely high results to the units as it can save nearly VND 300 million in costs and **4,573 m<sup>3</sup>** of water consumption in the year.



## WATER RECOVERY AND RECYCLE FROM MILK PROCESSING SYSTEM

During the milk processing process, at production start stage, the water will remove as wastewater. However, realizing that this amount of water can be reused, the design has been renovated so that in this step the water will be recirculated into the semi-finished tank to cook the reconstituted milk. Thanks to applying the improvement, the previous limitations were eliminated, the system was operated efficiently and brought high value, saving a total of **1,229 m<sup>3</sup>** of water in the year.



# MARKET DEVELOPMENT

## Contributing to national development



VND **4,415** BILLION  
CONTRIBUTING TO THE STATE BUDGET  
THROUGH TAX PAYMENT



**TOP 12**  
MOST-PAYING CORPORATE INCOME TAX  
ENTERPRISES IN VIETNAM IN 2021

No law-related fines in economic and social area

No violations on monopoly, antitrust and anti-competitive behaviors

## International market development

EXPORTING THE VIETNAMESE  
PRODUCTS TO ACCUMULATED

**57** COUNTRIES AND  
TERRITORIES



**22** TRADE PROMOTION AND  
SUPPORT PROGRAMS  
FOR INTERNATIONAL CUSTOMERS IN 2022

EXPANDING OPERATIONS TO  
**USA, NEW ZEALAND,  
CAMBODIA, LAOS,  
PHILIPPINES**  
THROUGH SUBSIDIARIES,  
JOINT VENTURES, ASSOCIATES





Cooperation  
for achieving the goal

 VND **60,075** BILLION  
CONSOLIDATED TOTAL REVENUE

 VND **10,496** BILLION  
CONSOLIDATED PROFIT AFTER TAX

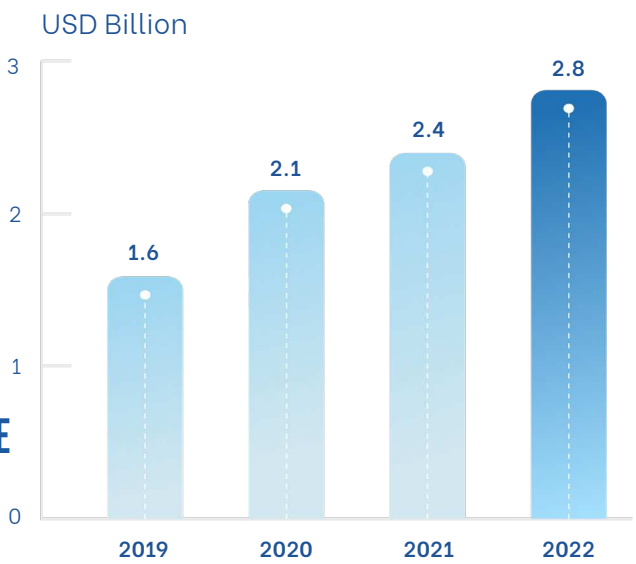
 **LEADING**  
in key categories such as Fresh Milk, Eating Yogurt,  
Drinking Yogurt, Powdered Milk.



Vinamilk's Brand value from 2019 to 2022

USD **2.8** BILLION  
BRAND VALUE IN 2022  
(According to Brand Finance)

USD **7** BILLION  
CAPITALIZATION VALUE  
THE LARGEST F&B COMPANY ON HOSE



 **94%**  
DIVIDEND PAYOUT RATIO

 VND **8,046** BILLION  
DIVIDEND PAID IN 2022

**96%**  
INVESTORS ARE SATISFIED WITH THE  
QUALITY OF PUBLISHED DOCUMENTS

**100%**  
INVESTORS ARE SATISFIED WITH THE  
QUALITY OF EVENTS ORGANIZED



**97%**  
DOMESTIC CUSTOMERS  
ARE SATISFIED

**98%**  
INTERNATIONAL CUSTOMERS  
ARE SATISFIED

Details of shareholders' rights and activities of Shareholders' Relations in 2022 are shown in the Annual Report – Page xxx

 VND **30,773** BILLION  
TOTAL TRANSACTION VALUE WITH SUPPLIERS

**87%**  
OF THE PROCUREMENT BUDGET IS SPENT ON LOCAL  
SUPPLIERS WHERE VINAMILK'S OPERATIONS TAKE PLACE

**100%**  
SUPPLIERS ARE EVALUATED IN  
TERMS OF SUSTAINABILITY

# Contributing to national development

Taxes play an important role in the national development and contribution to the national budget through tax payment will contribute to the national socio-economic development. Therefore, Vinamilk is aware of its responsibility to fulfill its tax obligations during operation. Vinamilk always respects the legal regulations, regulatory policies of the State, including tax law, complies with reporting regime according to tax regulations in the countries and regions where the Company operates.

## Risk management and tax compliance management at Vinamilk



The Company adopts a compliance and risk management mechanism in tax administration to assure compliance with tax laws, and takes measures to promptly prevent, detect and handle any problems arising.



The company controls tax compliance through a system of documents, policies, regulations and separate operating procedures for the company's operating model.



Manage tax risks through updating legal amendments in the most frequent and timely manner.



Work with the appropriate professional Consultant to identify potential tax risks.



Work with the State agencies on tax management to conduct annual tax audits at the Company and the Unit to confirm the completion of tax obligations, avoiding mass and multi-year errors.



The Company always ensures that tax-related information and issues are disclosed in a transparent and honest manner, thereby maintaining transparency in the Company's financial statements.

# Cooperation for achieving the goal

Vinamilk always seeks opportunities to expand its partner network and cooperate with partners who share the same development orientation to build a sustainable dairy value chain through transparent and efficient market development.

## Suppliers

Vinamilk selects cooperation partners based on the Supplier Evaluation and Selection Process. Vinamilk always commits to transacting with suppliers on the principles of fairness, honesty, objectivity, compliance with the law and harmonization of interests, aiming towards a sustainable supply chain. The supplier selection criteria are as follows:

- **Price competitiveness.**
- **Production capacity, technological process.**
- **Human resource capacity, operational experience.**
- **Food safety and quality management.**
- **Social responsibility, sustainable development indicators.**
- **Supply chain security control.**



## Distributors

Distributors that make up the strength of a distribution system serve as an important bridge to bring Vinamilk's products to customers. Therefore, constantly developing and enhancing the relationship with Distributors is a top priority in Vinamilk's distribution system development. Each distributor of Vinamilk is undergone due diligence and closely monitored to ensure satisfaction of the company's standards in terms of:

- **Business lines; legal records.**
- **Risk of conflict of interest.**
- **Financial capability; scale of infrastructure, warehouses, vehicles, equipment, etc.**
- **Personnel organization, management and administration capacity.**
- **Customer service requirements.**
- **Assurance of strict food safety and hygiene requirements.**
- **Building a working environment for employees at the Distributors.**

In 2022, Vinamilk organized online training courses on VNM's sales software for Distributors' sales staff, with topics such as sales skills, product display, ... to develop the capacity of the sales team as well as improve the satisfaction of Distributors and Retailers with Vinamilk.



# International market development

Expanding export markets and bringing Vietnamese brands to the world is one of long-term strategies of Vinamilk. Since 1997, Vinamilk's products have been available in 57 countries and territories, with total accumulated export turnover of more than USD 3 billion. Strength in production capacity, R&D in combination with market insight to offer suitable products for consumers and professional services are the key factors that enable Vinamilk make significant progress in international business, demonstrating the right strategy of the Company in identifying potential export markets and key investments.

In 2022, facing uncertainties in all aspects of the global economy, politics and society, Vinamilk proactively implemented a series of flexible and adaptive support solutions in accessing export opportunities, building sustainable relationships with customers. Vinamilk focused on trade promotion activities, is present at international food fairs and exhibitions including Gulfood Dubai, Foodex Japan, CNRE China, Seoul Food, PLMA Chicago, etc. to introduce national products and brands to the world and seek the new potential customers.

Vinamilk also deployed trade support activities for existing export customers such as sales device support, advertisement support, to accompany partners in overcoming difficulties and developing business operations in international markets.

 **3,300** CONTAINERS OF PRODUCTS WERE EXPORTED DURING THE PERIOD, MAINTAINING TRADITIONAL MARKETS AND SEIZING NEW EXPORT OPPORTUNITIES.

Along with export activities, Vinamilk has developed international markets through subsidiaries, joint ventures and foreign associates in such markets as the US, New Zealand, Cambodia, Laos, the Philippines.

In 2022, the business operations of foreign subsidiaries, joint ventures and associates remained stable, affirming the efficacy of the strategic development direction through global M&A activities.

- **Driftwood** (USA): Revenue in 2022 rose 31% over the same period.
- **Angkor Milk** (Cambodia): Revenue in 2022 increased 13% over the same period.
- **Del Monte - Vinamilk joint venture** (Philippines): Available in several major selling points in 3 largest islands in Philippines.



**22** TRADE PROMOTION AND SUPPORT PROGRAMS IN 2022



# SHARING VALUE TO SOCIETY





# Sharing love and happiness

Vinamilk, a brand closely tied to the community, has accompanied and joined hands with the community to build a better Vietnam for many years. Orienting towards practical values, VINAMILK always engages in construction and development of the society:

## COMPANION WITH THE CENTRAL REGION IN OVERCOMING FLOODS

In 2022, VINAMILK donated more than 155,000 nutritional products of all kinds with a total value of more than VND 1 billion to people in provinces and cities affected by floods through the Fatherland Front of Quang Nam and Da Nang provinces and the Department of Education of Thua Thien Hue province. This provided people, especially children with nutrition, physical support for building up resistance so that they can go to school with peace of mind and recover their lives after the floods.



## SUPPORTING POOR PATIENTS IN HEART SURGERY

With the aspiration to stand tall Vietnam, Vinamilk always accompanies in creating meaningful values for the community. Since 1995, Vinamilk has brought the opportunity for treatment and healthy life to poor patients, including many children across the country through the Sponsoring Association for Poor Patients with funding up to VND 7.2 billion. Thereby, Vinamilk has helped nearly 1,300 poor patients with heart and eye surgery, including many children with congenital heart disease undergoing surgery to have more opportunities to live with a healthy heart. Notably in 2022, Vinamilk continued to support the Sponsoring Association of Poor Patients in Ho Chi Minh City with a budget of VND 500 million for financing a program of free heart surgery for poor children with congenital heart disease.





# A HEALTHY LIFE FOR RETURNING TO YOUTH

“A healthy life for returning to youth” is a series of practical health care activities for the elderly after the pandemic. In 2022, Vinamilk consulted on health care and spread the spirit of positive and optimistic life to 10,000 elderly people in 27 provinces and cities nationwide.

Thanks to the companionship of Sure Prevent Gold, KenKo Haru and Sure Diecerna brands, this is the continuation of the health care journey for 1 million elderly people nationwide that Vinamilk has carried out over the years (more than 500,000 thousand elderly people in 2022 alone). Vinamilk organized to measure osteoporosis for all elderly people participating in the program. Also, the team of endocrinology, geriatrics, nutrition doctors of An Khang Vinamilk Clinic supported health examinations and consultations, shared methods to help prevent and treat common diseases in the elderly such as osteoporosis, cardiovascular disease, diabetes, etc.

Moreover, Vinamilk also collaborated with doctors from prestigious hospitals throughout the country to give presentations on health topics and practical nutritional solutions to improve the immune system and enhance the health of elderly people, especially in the post-epidemic period and the summer period with broken weather.



# ACCOMPANYING VIETNAM CHIEF NURSE CLUB

In 2022, Vinamilk continued to accompany the Vietnam Chief Nurse Club to open training courses “Communication and health education on nutrition for patients and continue to effectively implement Circular 31/2021/TT-BYT regulating nursing activities in hospitals” in Ho Chi Minh City, Hanoi and Da Nang.

Thanks to practical training content, the training courses have attracted nearly 500 students who are club members and experts and medical staff from many large hospitals nationwide such as Viet Duc Friendship Hospital, Bach Mai Hospital, Hue Central Hospital, Da Nang C Hospital, Thong Nhat Hospital, Cho Ray Hospital, etc.





# REPORT OVERVIEW

## Scope

### REPORT-MAKING PRINCIPLES

At Vinamilk, the Sustainable Development Report is prepared annually, aims to present and publish official information related to the goals, orientations and activities related to the Company’s Sustainable development. In 2022, the Sustainable Development Report continued to be prepared separately from the Annual Report. All datas reported for the year ended on December 31st, 2022.

In this report, the materiality topics were identified based on a combined assessment of stakeholder interest and their impact on Vinamilk. The information presented including Vinamilk’s management methods, objectives and orientations for Sustainable development in each period (including short term and long term); Vinamilk’s commitments to stakeholders; current status, outstanding programs and activities in the year related to materiality areas; giving the assessments and achievements which the Company achieved during the year, the extent of satisfaction with Vinamilk’s commitments and stakeholder’s concerns, in order to outline the overall picture of the Company’s activities during the year, and provide orientation for Sustainable development for the future.

The report was prepared according to the Global Report Initiative for Sustainable Reporting Standards (GRI Standards) published by the Global Sustainability Standards Board (GSSB) in 2016, reviewed in 2021. This is the international standard and latest version of Sustainable Development Report preparation. In addition, the report also presented several additional published indicators according to GRI Food Processing.

Furthermore, as presented in this report, the strategic objectives and activities in Vinamilk orientation were also linked to the United Nations’ 17 Sustainable Development Goals, Dairy Sustainability Framework (DSF) and the United Nations Global Compact (UNGC).

### UNITS INCLUDED IN THE REPORT

Scope of operation report of Vinamilk consists of its branches, affiliates and subsidiaries controlled by Vinamilk, including:

- The Headquarter, 13 Factories, 03 Branches, 02 Logistics factories and Cu Chi Raw Milk Center
- Vietnam Dairy Cow One Member Company Limited
- Thong Nhat Thanh Hoa Dairy Cow Company Limited
- Angkor Dairy Products Co., Ltd. (except for criteria related to GRI FP6)
- An Khang Clinic (only including criteria related to human resources)

Any comments or questions related to the report, please contact directly on Vinamilk’s Website, at Feedback information (<https://www.vinamilk.com.vn/en>) or email to the member in charge of the Sustainable Development Program.

### INDEPENDENT LIMITED ASSURANCE FOR SUSTAINABLE DEVELOPMENT REPORT

In order to provide accurate and reliable information on the sustainable development performance to stakeholders. Vinamilk’s Sustainable Development Report 2022 continues to be guaranteed by PwC Vietnam. Vinamilk affirmed that no conflict of interest exists in appointing an assurance service provider. The Sustainable Development Indicators are selected according to materiality elements covering the economic, environmental and social fields are as follows:

- Amount of milk purchased from households (ton) – GRI 203-2;
- Percentage (%) of sugar reduced products, percentage (%) of products without added sugar, percentage (%) of fat reduced products, percentage (%) of vitamin and minerals supplement products, percentage (%) of soluble fiber supplement products, percentage (%) of probiotic supplement products, percentage (%) of organic products, percentage (%) of naturally fermented products and percentage (%) of plant-based products in the product structure (GRI Food processing sector) – GRI FP6;
- Amount of GHG emissions (kg CO<sub>2</sub>) – GRI 305;
- Amount of energy consumption (MJ) – GRI 302-1;
- Water withdrawal (m<sup>3</sup>) by the source – GRI 303-3;
- Water discharge (m<sup>3</sup>) by types of destination – GRI 303-4;
- Water consumption (m<sup>3</sup>) – GRI 303-5;
- Percentage (%) of recycled and reused water in production
- Total weight of waste (kg) by type – GRI 306-3;
- Total weight of waste diverted from disposal (kg) using the recovery operations of preparation for reuse, recycling, and others – GRI 306-4;
- Total weight of waste directed to disposal (kg) using the disposal operations of incineration, landfilling and others – GRI 306-5;
- Total workers covered by an occupational health and safety management system – GRI 403-8;
- Rate of work-related injuries – GRI 403-9; and
- Rate of work-related ill health – GRI 403-10.

# Members in charge of sustainable development program

The CEO directly directs the program and assigns the participants in the program including:



## WORKING ENVIRONMENT

**Mrs. Bui Thi Huong**  
Executive Director of Human Resources - Admin & Public Relation  
Email: bthuong@vinamilk.com.vn  
Take an overall responsibility

**Mr. Nguyen Tuong Huy**  
Human Resources Director  
Email: nthuy@vinamilk.com.vn  
Responsible for human resources and work environment

**Mr. Le My Ha**  
Head of Recruitment and Labour Relations Division  
Email: lmha@vinamilk.com.vn  
Responsible for recruitment, employment management, promotion and occupational health and safety issues

**Mr. Do The Tuyen**  
Head of Salary & Welfare Division  
Email: dttuyen@vinamilk.com.vn  
Responsible for salary, bonus and welfare issues for employees



## PRODUCT LIABILITY

**Mr. Nguyen Quoc Khanh**  
Executive Director of Research and Development  
Email: nqkhanh@vinamilk.com.vn  
Generally responsible for the product issues

**Mrs. Bui Thi Thu Hoai**  
Research and Development Director  
Email: btthoai@vinamilk.com.vn  
Responsible for product research and development

**Mr. Hoang Thanh Van**  
Product Management Acting Manager  
Email: htvan@vinamilk.com.vn  
Responsible for product research and development



## ENVIRONMENT & ENERGY

**Mr. Le Hoang Minh**  
Executive Director of Production  
Email: lhminh@vinamilk.com.vn  
Responsible for environmental and energy issues in production activities

**Mr. Trinh Quoc Dung**  
Executive Director of Raw Material Area Development  
Email: tqdung@vinamilk.com.vn  
Responsible for environmental and energy issues in the dairy farm operations

**Mr. Nguyen Quoc Phong**  
Circular Economy& Energy, Environment Management Manager  
Email: nqphong@vinamilk.com.vn  
Responsible for implementing environmental management and energy saving activities

**Mr. Trinh Phuong Nam**  
Agriculture Director  
Email: tpnam@vinamilk.com.vn  
Responsible for agricultural activitie, animal husbandry and veterinary medicine

**Mr. Nguyen Dang Khoa**  
Technical Director of Vietnam Dairy Cow One Member Limited Company  
Email: ndkhoa@vinamilk.com.vn  
Responsible for implementing environmental and energy management activities on dairy farms

**Mr. Nguyen Trung**  
Supply and Transportation Director  
Email: ntrung@vinamilk.com.vn  
Responsible for implementing environmental and energy management activities in supply activities



## COORDINATION AND REPORTING GROUP

**Mrs. Tran Thai Thoai Tran**  
Internal Control and Risk Management Director  
Email: ttttran@vinamilk.com.vn

**Mrs. Le Hoang Anh**  
Head of Internal Control Department of Quality Management and Standards  
Email: lhanh@vinamilk.com.vn

**Mrs. Tran Nguyen Kim Phuong**  
Manager of Internal Control in R&D, Production and Dairy development  
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**Mr. Phan Hoang Huy**  
Risk Management Specialist  
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**Mrs. Nguyen Huynh Thao Uyen**  
Internal control specialist in R&D, production and Dairy development  
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**Mrs. Chau Thi My Thuyen**  
Internal control specialist in R&D, production and Dairy development  
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# Independent limited assurance report

## To the Board of Management of Vietnam Dairy Products Joint Stock Company

We have been engaged by Vietnam Dairy Products Joint Stock Company (“Vinamilk”) to perform an independent limited assurance engagement on sustainability development indicators for the reporting year started on 1 January 2022 and ended on 31 December 2022 selected and reported in Vinamilk’s Sustainability Report 2022 (hereinafter referred to as “selected Sustainability Indicators”).

## Responsibility of the Board of Management

The Board of Management of Vinamilk is responsible for the preparation of Vinamilk’s Sustainability Report 2022 pertaining to the reporting scope described in page xx of the report, in which the Sustainability Indicators selected for our limited assurance engagement are presented. The responsibility includes the selection of the Sustainability Indicators for our limited assurance engagement and application of the appropriate method to Vinamilk’s Sustainability Report 2022 as well as the design, implementation and maintenance of internal controls relevant to the preparation of the selected Sustainability Indicators’ information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Vinamilk which are reasonable in the circumstances.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Selected Sustainability Indicators’ Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected Sustainability Indicators’ information is free from material misstatement.

The accuracy and completeness of selected Sustainability Indicators are subject to inherent limitations given their nature and methods for determining, calculating, and estimating such data. Our assurance report should therefore be read in connection with Vinamilk’s procedures on the reporting of its sustainability performance. In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

## Subject Matter

The selected Sustainability Indicators, on which we provide limited assurance, consists of:

- Amount of milk purchased from households (ton) (pages 37) – GRI 203-2;
- Percentage (%) of sugar reduced products, percentage (%) of products without added sugar, percentage (%) of fat reduced products, percentage (%) of vitamin and minerals supplement products, percentage (%) of soluble fiber supplement products, percentage (%) of probiotic supplement products, percentage (%) of organic products, percentage (%) of naturally fermented products and percentage (%) of plant-based products in the product structure (GRI Food processing sector) (pages 25) – GRI FP6;
- Amount of GHG emissions (kg CO<sub>2</sub>) (pages 83) – GRI 305;
- Amount of energy consumption (MJ) (pages 82) – GRI 302-1;
- Water withdrawal (m<sup>3</sup>) by the source (pages 82) – GRI 303-3;
- Water discharge (m<sup>3</sup>) by types of destination (pages 83) – GRI 303-4;
- Water consumption (m<sup>3</sup>) (pages 83) – GRI 303-5;
- Total weight of waste (kg) by type (pages 83) – GRI 306-3;
- Total weight of waste diverted from disposal (kg) using the recovery operations of preparation for reuse, recycling, and others (pages 83) – GRI 306-4;
- Total weight of waste directed to disposal (kg) using the disposal operations of incineration, landfilling and others (pages 83) – GRI 306-5;
- Percentage (%) of recycled and reused water in production (pages 68 and 82);
- Total workers covered by an occupational health and safety management system (pages 5, 44 and 84) – GRI 403-8;
- Rate of work-related injuries (pages 86) – GRI 403-9; and
- Rate of work-related ill health (pages 86) – GRI 403-10.

Our limited assurance engagement has been undertaken in respect of the selected Sustainability Indicators for the year ended 31 December 2022 as reported in the Sustainability Report 2022 only. Our limited assurance has not been provided for information or data pertaining to earlier periods or any other elements included in the Sustainability Report 2022 and, therefore, do not express any conclusion thereon.



Criteria

The Subject Matter above has been assessed according to the criteria set forth in the defined procedures by which the environmental and social data are gathered, collated and aggregated internally as part of the data management of Vinamilk following the Global Reporting Initiative Standards and pertaining to the reporting scope described on page xx of Vinamilk’s Sustainability Report 2022 for our limited assurance engagement.

Main Assurance Procedures

Our work, which involves no independent examination of any of the underlying financial information, included the following procedures:

- Inquiries of personnel responsible for internal reporting and data collection at the corporate and as and when appropriate at business unit level for the selected Sustainability Indicators;
- Obtain an understanding of the procedures as to how the Sustainability Indicators are gathered, collated, and aggregated internally;
- Inspection on a sample basis of internal documents, reports and invoices provided by Vinamilk and by external service providers.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company’s Selected Sustainability Indicators’ information has been prepared, in all material respects, in accordance with the Criteria.

Conclusion

Based on the work described above, in all material respects, nothing has come to our attention that causes us to believe that the selected Sustainability Indicators’ information for the reporting year started on 1 January 2022 and ended on 31 December 2022 as presented in Vinamilk’s Sustainability Report 2022, is not prepared in accordance with its internal policies, reporting scope and principles on sustainability reporting as presented on page xx and page xx.

Use of Our Report

This report is addressed to the Board of Management of Vinamilk in accordance with the scope of work as set out in the Letter of Engagement dated 14 December 2022 in connection with presentation of the Sustainability Indicators selected for our limited assurance engagement pertaining to the reporting scope described on page xx of Vinamilk’s Sustainability Report 2022 and should not be used or relied upon for any other purposes. Our report is not to be shown or distributed to any third party in whole or in part. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

Other Matter

The independent limited assurance report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.



For and on behalf of PwC  
(Vietnam) Limited

Nguyen Hoang Nam  
Deputy General Director

Authorised signatory  
0849-2023-006-1




April 20, 2023  
Reference Report Number: HCM13885



Management is responsible for the accuracy of information on the Vinamilk’s website. The work carried out by the limited assurance service provider does not involve consideration of these matters. The limited assurance service provider accepts no responsibility for any differences between the selected Sustainability Indicators and/or information for which the limited assurance report was issued on, and the selected Sustainability Indicators and/or information presented on the Vinamilk’s website.



# Environmental indicators

Reporting Criteria	2020	2021	2022
 <b>Energy</b>			
<b>Diesel Oil</b>			
Consumption amount (kg)	5,768,617	6,137,444	6,072,926
Average (kg)/ ton of products	4.69	4.98	5.32
<b>Fuel Oil</b>			
Consumption amount (kg)	1,485,684	1,435,039	1,419,383
Average (kg)/ ton of products	1.21	1.17	1.24
<b>Gasoline</b>			
Consumption amount (kg)	202,419	195,800	179,782
Average (kg)/ ton of products	0.16	0.16	0.16
<b>Gas</b>			
Consumption amount (kg)	323,122	312,038	244,022
Average (kg)/ ton of products	0.26	0.25	0.21

Reporting Criteria	2020	2021	2022
<b>Electricity</b>			
Hydroelectricity consumption (kWh)	203,881,784	205,731,848	187,298,535
Solar power consumption (kWh)	-	2,637,718	15,471,029
Total Electricity Consumption (kWh)	203,881,784	208,369,566	202,769,565
Average (kWh)/ ton of products	165.80	169.21	177.46
<b>Biomass</b>			
Consumption amount (ton of steam)	249,417	243,224	235,846
Average (ton of steam)/ ton of products	0.20	0.20	0.21
<b>CNG</b>			
Consumption amount (ton of steam)	254,097	230,590	217,962
Average (mm BTU)/ ton of products	0.21	0.19	0.19
<b>Total Energy Consumption (MJ)</b>	<b>2,258,405,520</b>	<b>2,239,377,766</b>	<b>2,163,324,010</b>
Average MJ/ ton of products	1,837	1,819	1,893
 <b>Resources</b>			
<b>Total amount of water reused in production (m³)</b>	<b>237,309</b>	<b>246,608</b>	<b>216,872</b>
<b>Percentage of water reused in production (%)</b>	<b>5.15</b>	<b>5.40</b>	<b>4.99</b>
<b>Groundwater consumption (m³)</b>	<b>3,055,910</b>	<b>3,301,649</b>	<b>2,910,214</b>
<b>Surface water consumption (m³)</b>	<b>79,601</b>	<b>656,960</b>	<b>916,823</b>
<b>Tap water consumption (m³)</b>	<b>3,163,150</b>	<b>3,228,854</b>	<b>3,301,727</b>
Average (m³)/ ton of products	5.12	5.84	6.24

Reporting Criteria	2020	2021	2022
 <b>Waste</b>			
<b>Hazardous waste (kg)</b>	<b>168,571</b>	<b>179,701</b>	<b>167,504</b>
Average (kg)/ ton of products	0.14	0.15	0.15
<b>Scrap (kg)</b>	<b>9,577,945</b>	<b>9,354,444</b>	<b>8,839,282</b>
Average (kg)/ ton of products	7.79	7.60	7.74
<b>Domestic waste (kg)</b>	<b>1,201,407</b>	<b>1,658,329</b>	<b>1,632,141</b>
Average (kg)/ ton of products	0.98	1.35	1.43
<b>Total amount of waste reused, recycled and otherwise recovery (kg)</b>	<b>9,577,945</b>	<b>9,354,444</b>	<b>8,839,282</b>
<b>Total amount of waste treated by methods such as incineration, bury (kg)</b>	<b>1,369,978</b>	<b>1,838,030</b>	<b>1,799,645</b>
<b>Total output wastewater (m³)</b>	<b>3,535,194</b>	<b>3,560,789</b>	<b>3,396,444</b>
<b>Total consumed wastewater (m³)</b>	<b>2,763,468</b>	<b>3,626,674</b>	<b>3,732,321</b>
 <b>Carbon footprint</b>			
<b>Total emission (kg) (*)</b>	<b>253,476,971</b>	<b>296,391,550</b>	<b>266,161,432</b>
Average (kg)/ ton of products	206.14	240.69	232.95

In 2022, Vinamilk will continue to promote the use of green energy sources from Biomass, Biogas; invest and scale up the solar energy system, technology improvements, optimization of transportation routes. Thanks to a diverse combination of solutions, greenhouse gas emissions from traditional energy such as electricity, gas decreased sharply, thereby helping Vinamilk's overall greenhouse gas emissions decrease compared to 2021.

In more detail, the amount of fuel and water used in 2022 has an increase compared to 2021 due to: Vinamilk equipped more transport vehicles and machinery and equipment; a change in production structure, resulting in an increase in the amount of water used for machine cleaning in each product changeover and due to an increase in the number of cows on the Farm. At the same time, under the general impact of climate change, high temperature amplitude, prolonged hot season, the Farm has increased cooling activities to ensure the most comfortable environment for cows and calves, thereby contributing to increase the amount of water used in the year.

**(\*) Total greenhouse gas emissions include:**

- Scope 1: Direct emissions from equipment using FO, DO, Gasoline, Gas, CNG, emissions from cows, calves and emissions from production wastewater.
- Scope 2: Indirect emissions from electrical equipment.
- There is a change in the total emissions in 2020 and 2021, because Vinamilk has adjusted the formula for calculating emissions of production wastewater.



# Employee indicators

## STATISTICS ON THE NUMBER OF EMPLOYEES

Employee	Male	Female	Total
Statistics by type of employment contract	6,045	1,810	7,855
Indefinite term	5,154	1,523	6,677
Fixed-term from 1 to 3 years	848	265	1,113
Seasonal and short-term contracts	-	3	3
Probationary contract	43	19	62
Statistics by industry	6,045	1,810	7,855
Production and processing (at Factories)	2,230	271	2,501
Sales	458	89	547
Support activities (administration, office, accounting, etc)	2,534	1,148	3,682
Agricultural activities (Farms)	823	302	1,125
Statistics by age	6,045	1,810	7,855
+ Age under 30	1,139	385	1,524
+ Age from 30 to 40	2,683	775	3,458
+ Age from 40 to 50	1,633	512	2,145
+ Age over 50	590	138	728

## STATISTICS ON COMPOSITION OF MANAGER LEVEL

Manager	Male	Female	Total
Statistics by age	410	160	570
+ Age under 30	14	18	32
+ Age from 30 to 40	136	75	211
+ Age from 40 to 50	190	55	245
+ Age over 50	70	12	82
Statistics by industry	410	160	570
Production and processing (at Factories)	58	4	62
Sales	53	8	61
Support activities (administration, office, accounting, etc)	263	141	404
Agricultural activities (Farms)	36	7	43

# STATISTICS ON THE NUMBER OF NEW EMPLOYEE HIRES AND EMPLOYEES TURNOVER

## NEW EMPLOYEE HIRES

Employee	Male	Female	Total
Statistics by industry	546	157	703
Production and processing (at Factories)	137	17	154
Sales	61	17	78
Support activities (administration, office, accounting, etc)	191	89	280
Agricultural activities (Farms)	157	34	191
Statistics by age	546	157	703
+ Age under 30	304	116	420
+ Age from 30 to 40	203	33	236
+ Age from 40 to 50	31	5	36
+ Age over 50	8	3	11

## EMPLOYEES TURNOVER

Employee	Male	Female	Total
Statistics by industry	588	185	773
Production and processing (at Factories)	153	30	183
Sales	69	13	82
Support activities (administration, office, accounting, etc)	222	105	327
Agricultural activities (Farms)	144	37	181
Statistics by age	588	185	773
+ Age under 30	221	78	299
+ Age from 30 to 40	236	63	299
+ Age from 40 to 50	71	26	97
+ Age over 50	60	18	78



# OCCUPATIONAL HEALTH AND SAFETY INDICATORS

	2020	2021	2022
Occupational disease rate (a)	0.11	0.10	0.10
Occupational accident rate (b)	0.09	0.07	0.08

# TRAINING AND DEVELOPMENT INDICATORS

Training indicators	2020	2021	2022
Number of training courses organized	647	585	584
Number of trainees participating in training courses	27,396	25,267	28,101

Average training hours	2020	2021	2022
Manager	35.1	26.5	24.1
Staff	41.3	41.1	40.3
Male	42.2	42.1	41.1
Female	36.5	33.5	32.4

## Notes for Occupational health and safety indicators:

1. These indicators are summarized throughout the Company.
2. Percentages are based on Occupational Health and Safety management system standard (ISO 45001). In particular, the factor 200,000 is calculated as 50 work weeks multiplied by 40 hours per week for 100 employees. The rates calculated from this factor are related to the number of employees, not to the number of hours.

(a) Occupational disease rate is calculated is calculated by the formula:

$$\frac{\text{Number of occupational disease cases} * 200,000}{\text{Total actual working hours}}$$

In which:

- The number of occupational disease cases is listed according to the occupational disease monitoring record provided by units

(b) Occupational accident rate is calculated by the formula:

$$\frac{\text{Number of injury cases} * 200,000}{\text{Total actual working hours}}$$

In which:

- The injury cases listed are the cases of injuries during the working time, including cases recorded as occupational accidents and minor injuries such as skin abrasions/tears causing bleeding, mild soft tissue injuries leading to absence from work and recognition in record of the medical departments.

## Classification of injuries at Vinamilk:

- Minor injuries: injuries arising during working process/working time recorded in the records of the Health Team, such as skin abrasions/tears causing bleeding, mild soft tissue damage leading to leave from work.
- Severe injuries: injuries arising during the working process/time recorded in the records of the Health Team, resulting in loss or impairment of working capacity.

# GRI Content Index

GRI STANDARDS		SUSTAINABLE DEVELOPMENT REPORT 2022	Page
GRI Standard Number	GRI Standard Title		
GRI 2	General Disclosures 2021		
2-1	Organizational details	○✓	93
2-2	Entities included in the organization’s sustainability reporting	○✓	78
2-3	Reporting period, frequency and contact point	○✓	78, 79
2-4	Restatements of information	○✓	83
2-5	External assurance	○✓	78-81
2-6	Activities, value chain and other business relationships	○✓	5, 24-26, 34 Annual Report – page 15-16
2-7	Employees	○✓	5, 44, 84
2-8	Workers who are not employees	⊗	
2-9	Governance structure and composition	○✓	11-12 Annual Report – page 22-34, 83-87
2-10	Nomination and selection of the highest governance body	○✓	11-12 Annual Report – page 37-38, 83-87
2-11	Chair of the highest governance body	○✓	11-12 Annual Report – page 23-26
2-12	Role of the highest governance body in overseeing the management of impacts	○✓	3, 11-12
2-13	Delegation of responsibility for managing impacts	○✓	11-12 Annual Report – page 81, 82
2-14	Role of the highest governance body in sustainability reporting	○✓	11-12, 79
2-15	Conflicts of interest	○✓	12, 47 Annual Report – page 94-95
2-16	Communication of critical concerns	○✓	15-18
2-17	Collective knowledge of the highest governance body	○✓	11, 16-18 Annual Report – page 83, 84
2-18	Evaluation of the performance of the highest governance body	⊗	Annual Report – page 37-40, 87
2-19	Remuneration policies	○✓	50 Annual Report – page 88-89

GRI STANDARDS		SUSTAINABLE DEVELOPMENT REPORT 2022	Page
GRI Standard Number	GRI Standard Title		
2-20	Process to determine remuneration	⊗	Annual Report – page 88-89
2-21	Annual total compensation ratio	⊗	Annual Report – page 88-89
2-22	Statement on sustainable development strategy	○✓	3
2-23	Policy commitments	○✓	13-15
2-24	Embedding policy commitments	○✓	10-11, 13-19
2-25	Processes to remediate negative impacts	○✓	13-19
2-26	Mechanisms for seeking advice and raising concerns	○✓	12, 16-18
2-27	Compliance with laws and regulations	○✓	33, 35, 47, 60, 65, 67, 69, 73
2-28	Membership associations	○✓	17
2-29	Approach to stakeholder engagement	○✓	16-18
2-30	Collective bargaining agreements	○✓	44
GRI 3	Material Topics 2021		
3-1	Process to determine material topics	○✓	16-19
3-2	List of material topics	○✓	18-19
3-3	Management of material topics	○✓	14, 18-19, 21-74
GRI 201	Economic Performance		
201-1	Direct economic value generated and distributed	○✓	5, 37, 71-72, 76-77, Annual Report – page 107-115
201-2	Financial implications and other risks and opportunities due to climate changeocal community	○✓	10, 14
201-3	Defined benefit plan obligations and other retirement plans	○✓	50 Annual Report – page 134, 151
201-4	Financial assistance received from government	⊗	



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GRI Standard Number	GRI Standard Title		
<b>GRI 202</b>	<b>Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	○✓	47, 50
202-2	Proportion of senior management hired from the local community	⊗	
<b>GRI 203</b>	<b>Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	○✓	36-42, 71
203-2	Significant indirect economic impacts	○✓	36-42, 71
<b>GRI 204</b>	<b>Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	○✓	72
<b>GRI 205</b>	<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	○✓	12, 14
205-2	Communication and training about anti-corruption policies and procedures	○✓	12, 48
205-3	Confirmed incidents of corruption and actions taken	⊗	
<b>GRI 206</b>	<b>Anti-competitive Behavior</b>		
206-1	Anti-competitive Behavior	○✓	71
<b>GRI 207</b>	<b>Tax</b>		
207-1	Approach to tax	○✓	73
207-2	Tax governance, control and risk management	○✓	73
207-3	Stakeholder engagement and management of concerns related to tax	○✓	73
207-4	Country-by-country reporting	○✓	73 Annual Report - page 66-67, 149, 160-161

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GRI Standard Number	GRI Standard Title		
<b>GRI 301</b>	<b>Materials</b>		
301-1	Materials used by weight or volume	⊗	
301-2	Recycled input materials used	○✓	61-62
301-3	Reclaimed products and their packaging materials	⊗	
<b>GRI 302</b>	<b>Energy</b>		
302-1	Energy consumption within the organization	○✓	53-56, 82-83
302-2	Energy consumption outside of the organization	⊗	
302-3	Energy intensity	○✓	82-83
302-4	Reduction of energy consumption	○✓	53-56, 61-62, 82-83
302-5	Reductions in energy requirements of products and services	○✓	53-56, 61-62, 82-83
<b>GRI 303</b>	<b>Water and Effluents</b>		
303-1	Interactions with water as a shared resource	○✓	68-70, 82-83
303-2	Management of water discharge-related impacts	○✓	
303-3	Water withdrawal	○✓	
303-4	Water discharge	○✓	
303-5	Water consumption	○✓	
<b>GRI 304</b>	<b>Biodiversity</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	⊗	
304-2	Significant impacts of activities, products and services on biodiversity	○✓	67
304-3	Habitats protected or restored	○✓	67
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	⊗	

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GRI Standard Number	GRI Standard Title		
<b>GRI 305</b>	<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	○✓	53-56, 82-83
305-2	Energy indirect (Scope 2) GHG emissions	○✓	53-56, 82-83
305-3	Other indirect (Scope 3) GHG emissions	⊗	
305-4	GHG emissions intensity	○✓	53-56, 82-83
305-5	Reduction of GHG emissions	○✓	53-56, 82-83
305-6	Emissions of ozone-depleting substances (ODS)	⊗	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	⊗	
<b>GRI 306</b>	<b>Waste</b>		
306-1	Waste generation and significant waste-related impacts	○✓	60-63, 68, 82-83
306-2	Management of significant waste-related impacts	○✓	
306-3	Waste generated	○✓	
306-4	Waste diverted from disposal	○✓	
306-5	Waste directed to disposal	○✓	
<b>GRI 308</b>	<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	○✓	17, 72-73
308-2	Negative environmental impacts in the supply chain and actions taken	○✓	17, 72-73
<b>GRI 401</b>	<b>Employment</b>		
401-1	New employee hires and employee turnover	○✓	44, 85
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	○✓	50
401-3	Parental leave	○✓	44

GRI STANDARDS		SUSTAINABLE DEVELOPMENT REPORT 2022	Page
GRI Standard Number	GRI Standard Title		
<b>GRI 402</b>	<b>Labor/Management Relations</b>		
402-1	Minimum notice periods regarding operational changes	○✓	47
<b>GRI 403</b>	<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	○✓	44
403-2	Hazard identification, risk assessment, and incident investigation	○✓	45-46
403-3	Occupational health services	○✓	45-46
403-4	Worker participation, consultation, and communication on occupational health and safety	○✓	44-46
403-5	Worker training on occupational health and safety	○✓	45-46
403-6	Promotion of worker health	○✓	45-46
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	○✓	45-46
403-8	Workers covered by an occupational health and safety management system	○✓	44
403-9	Work-related injuries	○✓	86
403-10	Work-related ill health	○✓	86
<b>GRI 404</b>	<b>Training and Education</b>		
404-1	Average hours of training per year per employee	○✓	44, 86
404-2	Programs for upgrading employee skills and transition assistance programs	○✓	44, 51-52
404-3	Percentage of employees receiving regular performance and career development reviews	○✓	44, 52



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GRI Standard Number	GRI Standard Title		
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	○✓	44, 47, 84
405-2	Ratio of basic salary and remuneration of women to men	○✓	47, 50
<b>GRI 406</b>	<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	○✓	47
<b>GRI 407</b>	<b>Freedom of Association and Collective Bargaining</b>		
407-1	“Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk“	○✓	47
<b>GRI 408</b>	<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	○✓	47, 73
<b>GRI 409</b>	<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor requirements	○✓	47, 73
<b>GRI 410</b>	<b>Security Practices</b>		
410-1	Security personnel trained in human rights policies or procedures	⊗	
<b>GRI 411</b>	<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	⊗	
<b>GRI 413</b>	<b>Local Communities</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	○✓	37-42, 76-77
413-2	Operations with significant actual and potential negative impacts on local communities	⊗	

GRI STANDARDS		SUSTAINABLE DEVELOPMENT REPORT 2022	Page
GRI Standard Number	GRI Standard Title		
<b>GRI 414</b>	<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	○✓	17, 72-73
414-2	Negative social impacts in the supply chain and actions taken	○✓	17, 72-73
<b>GRI 415</b>	<b>Public Policy</b>		
415-1	Political contributions	⊗	
<b>GRI 416</b>	<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	○✓	22-35
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	○✓	35
<b>GRI 417</b>	<b>Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	○✓	33
417-2	Incidents of non-compliance concerning product and service information and labeling	○✓	35
417-3	Incidents of non-compliance concerning marketing communications	○✓	35
<b>GRI 418</b>	<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	○✓	35

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# Vietnam Dairy Products Joint Stock Company

Stock code	VNM
Name of Vietnamese	Công ty Cổ phần Sữa Việt Nam
Abbreviated name	Vinamilk
Charter capital	VND 20,899,554,450,000

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Business Registration Certificate  
and Tax code: 0300588569