

BUILDING TRUST SHARING PROSPERITY



VINAMILK



SUSTAINABLE DEVELOPMENT REPORT 2021

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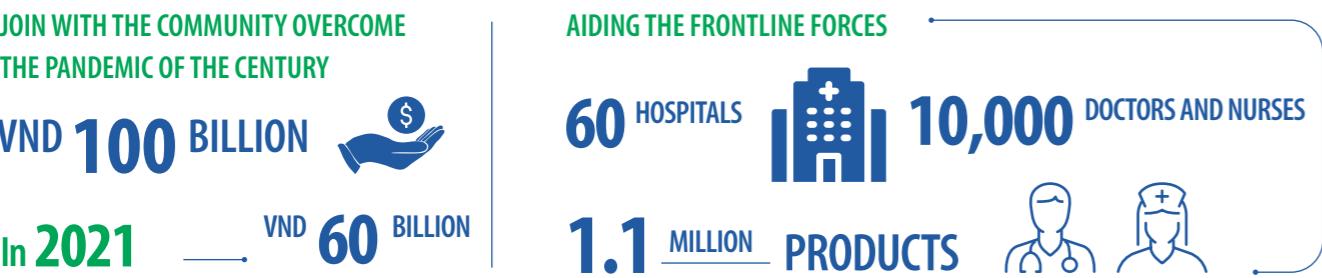
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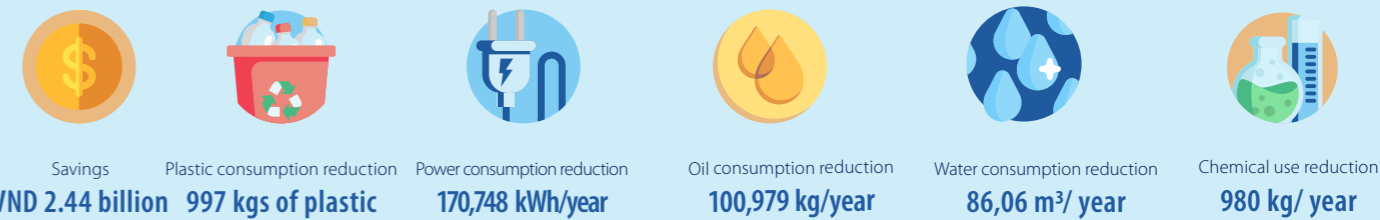
HIGHLIGHTS
IN 2021



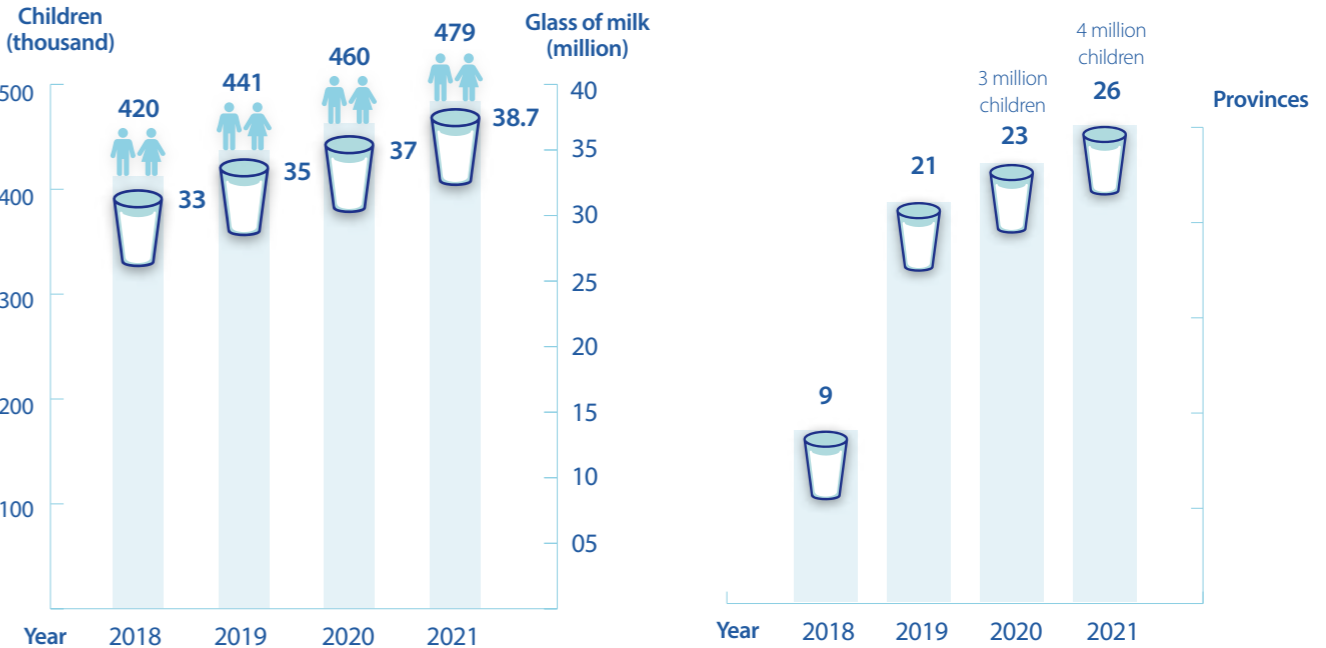
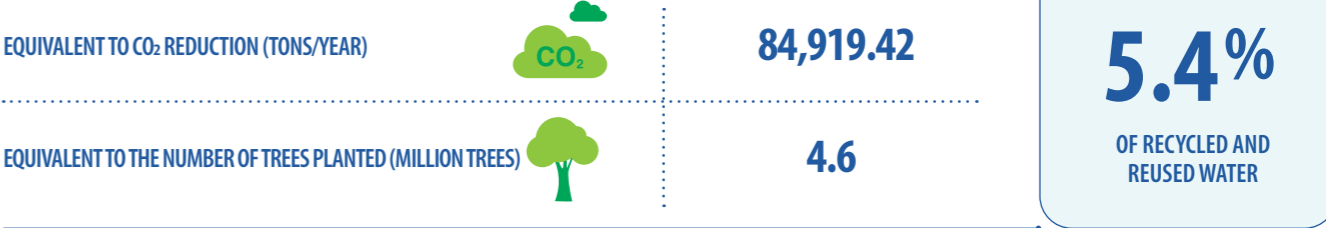
PRODUCT IMPROVEMENT AND DIVERSIFICATION



INNOVATION INITIATIVES – CIRCULAR ECONOMY APPLICATION



USING SOLAR ENERGY TO REDUCE CO2 EMISSIONS



"STAND TALL VIETNAM" MILK FUND COVERING 63 PROVINCES AND CITIES
(14 years journey)

SCHOOL MILK PROGRAM
(15 years journey)

CEO'S MESSAGE

Dear Shareholders, Customers and Colleagues,

2021 marked an important milestone in Vinamilk's 45-year "Stand tall Vietnam - Reach out to the world" journey to bring Vietnamese Dairy Products to the global markets. We would like to extend our gratitude to all Shareholders, Customers, Employees, Partners and other stakeholders who have accompanied and supported Vinamilk in BUILDING TRUST - SHARING PROSPERITY.

The year 2021 also experienced a difficult period as the world encountered unprecedented challenges due to the Covid-19 pandemic. The shock caused by Covid-19 has plunged the world into one of the worst recessions in human history with significant impacts on all aspects from economy, politics, social security, ect. The prolonged and widespread social disruption, blockade and isolation not only changed the global value chain, but also restrained production, supply and consumption. Facing this situation, the Vietnamese economy and the global dairy industry are not exceptions.



Overcoming difficulties, Vinamilk promptly implemented response plans and quickly adapted to the "new normal" situation, aiming at the dual goal of maintaining the growth while stabilizing production and business activities in compliance with regulations on epidemic prevention.

Thanks to the efforts of the Board of Management and all employees of the Company in overcoming difficulties, by the end of 2021, Vinamilk has achieved the highest revenue ever - more than VND 61,000 billion, gross profit after tax reached VND 10,633 billion. Even though our profit expectation has not been totally achieved, this was a heartening achievement in the context of the serious impact of the epidemics on the global economy.

In the harsh market conditions, Vinamilk steadfastly pursues SUSTAINABLE VALUES with 6 key aspects including product safety & quality, assurance of working conditions, local economic development, reduction of greenhouse gas emissions, waste management, animal welfare; commitment towards sustainable development goals and social responsibilities.

In a tumultuous year of the supply chain, thanks to a good risk control foundation, especially the autonomy in maintaining the domestic raw milk material areas, combined with an extensive and flexible material supplier network, Vinamilk has maintained stable production activities, meeting domestic and export demand.

Technology application in management has been Vinamilk's orientation for many years. In the context of prolonged social distancing and trade restrictions due to the global pandemic, the digital transformation process has been deployed more quickly and comprehensively. Online browser system (eOffice), electronic document library management system (eDocs), digital signature system (eSign), internal news and interaction websites, remote data

access solutions, etc. have become essential, convenient and effective tools in daily activities of both internal employees and partners of the Company; contributing to maintaining continuous operation, productivity and strict control not only during the period of isolation, but also during the process of scaling up the business.

In order to ensure the safety of employees during the epidemics, Vinamilk has drastically taken a number of epidemic prevention measures at the workplace, while ensuring stable working and employment conditions. Facing the crisis period during and after the pandemic, one of Vinamilk's pride is maintaining stable and effective operations of all member units and securing jobs, incomes and benefits for nearly 8,000 employees.

Being driven by the mindset that sustainable development of an enterprise only exists in a healthy community, Vinamilk has been actively involved in social responsibility programs, especially during the difficult period due to the Covid-19 pandemic. Over the past two years, Vinamilk and its member units, subsidiaries and employees have contributed more than VND 100 billion to the Government's Covid-19 prevention and control activities, supporting frontline forces in the epidemic fight and supporting the community, especially children affected by the pandemic as well as people affected by natural disasters, storms and floods.

Vinamilk has left more and more positive marks in creating values for the community, for a better and more sustainable life with the Best Community Program Award honored by The Global CSR Awards; "Asia's Best Community Centric Company Of The Year 2021", Asia Corporate Excellence and Sustainability Awards in 2021 (ACES Awards); has ranked in the Top 10 Sustainable Development Enterprises in the manufacturing sector in Vietnam for 6 consecutive years.

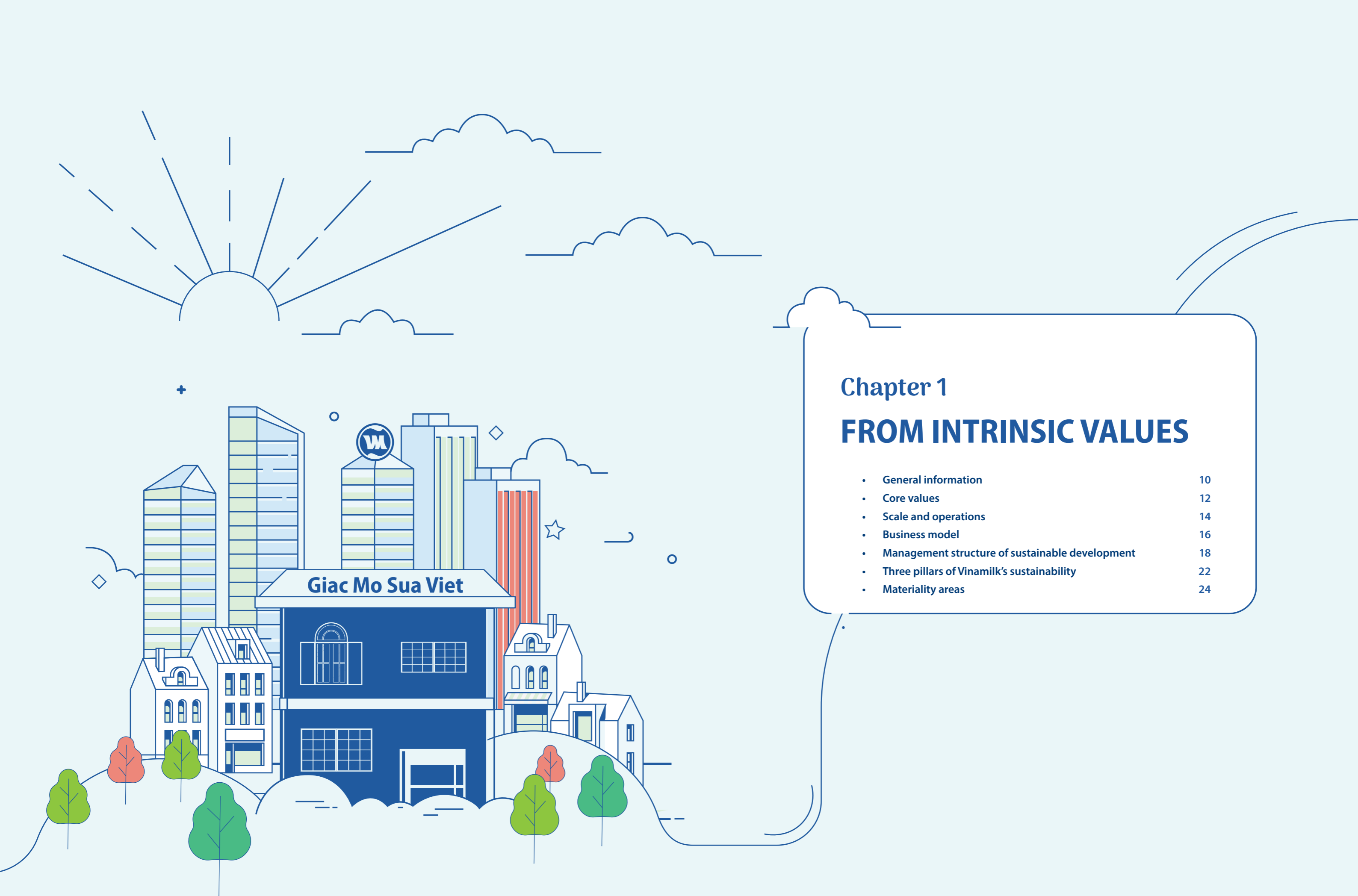
The pandemic will pass but the SUSTAINABLE VALUES will stay. The Board of Management and all employees of Vinamilk will persistently endeavor to create more sustainable values and firmly move forward on the path of BUILDING TRUST, SHARING PROSPERITY. With positive forecasts about the recovery of the global economy, we believe Vinamilk will firmly step into 2022 with high determination to break through limits for sustainable development and reaching new heights.

Wish you health and prosperity.
Ho Chi Minh City, April 15, 2022



Mai Kieu Lien
Chief Executive Officer





Chapter 1

FROM INTRINSIC VALUES

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GENERAL INFORMATION

Vietnam Dairy Products Joint Stock Company

Stock code	VNM
Name of Vietnamese	Công ty Cổ phần Sữa Việt Nam
Abbreviate name	Vinamilk
Charter capital	VND 20,899,554,450,000
Head office	10 Tan Trao, Tan Phu Ward, District 7, HCM City
Tel	(84-28) 54 155 555
Fax	(84-28) 54 161 226
Email	vinamilk@vinamilk.com.vn
Website	www.vinamilk.com.vn www.youtube.com/user/Vinamilk



Business Registration Certificate and Tax Code: 0300588569





CORE VALUES

Vision

To become a world-class brand in the food and beverage industry with nutritional and health products that are trusted by everyone.

Mission

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

Business philosophy

Constantly developing production, trade and service activities in the areas of business activities to:

- Maximize the benefits and enhance the Company's value in harmony with the interests of Shareholders.
- Constantly improve the life, income and working environment for employees.
- Ensure the interests of other stakeholders towards sustainable and responsible development.





SCALE AND OPERATIONS

DAIRY FARMING PRODUCTION OF RAW MATERIALS

INTERNAL OPERATION

- 14** Dairy Farms and **01** Embryo Transfer Center
- 1** Cu Chi Raw Milk Center
- 83** Raw milk collection stations
- 1** Raw material production and supply factory (Sugar)

INTERNATIONAL OPERATION

- 1** Lao Jargo - Laos farm complex



PRODUCTION AND PROCESSING OF DAIRY BEVERAGES AND FOODS

INTERNAL OPERATION

- 13** Factories
- 1** Moc Chau Factory

INTERNATIONAL OPERATION

- 1** Driftwood Factory - The US
- 1** Angkor Milk Factory - Cambodia



DISTRIBUTION

- 3** Sales branches
- 2** Logistics enterprises



TRADING

INTERNAL OPERATION

Nearly **200** Distributors
 Nearly **250,000** Points of Sale
 Nearly **600** "Giac Mo Sua Viet" Stores
13 E-Commerce Partners
 Vinamilk E-shop **giacmosuaviet.com**
 Online shopping app "**Giac Mo Sua Viet**"

INTERNATIONAL OPERATION

Export to **5** continents, **57** countries and regions

Giac Mo Sua Viet



HEALTH CARE NUTRITION

- 1** Polyclinic
- 1** Nutrition Center





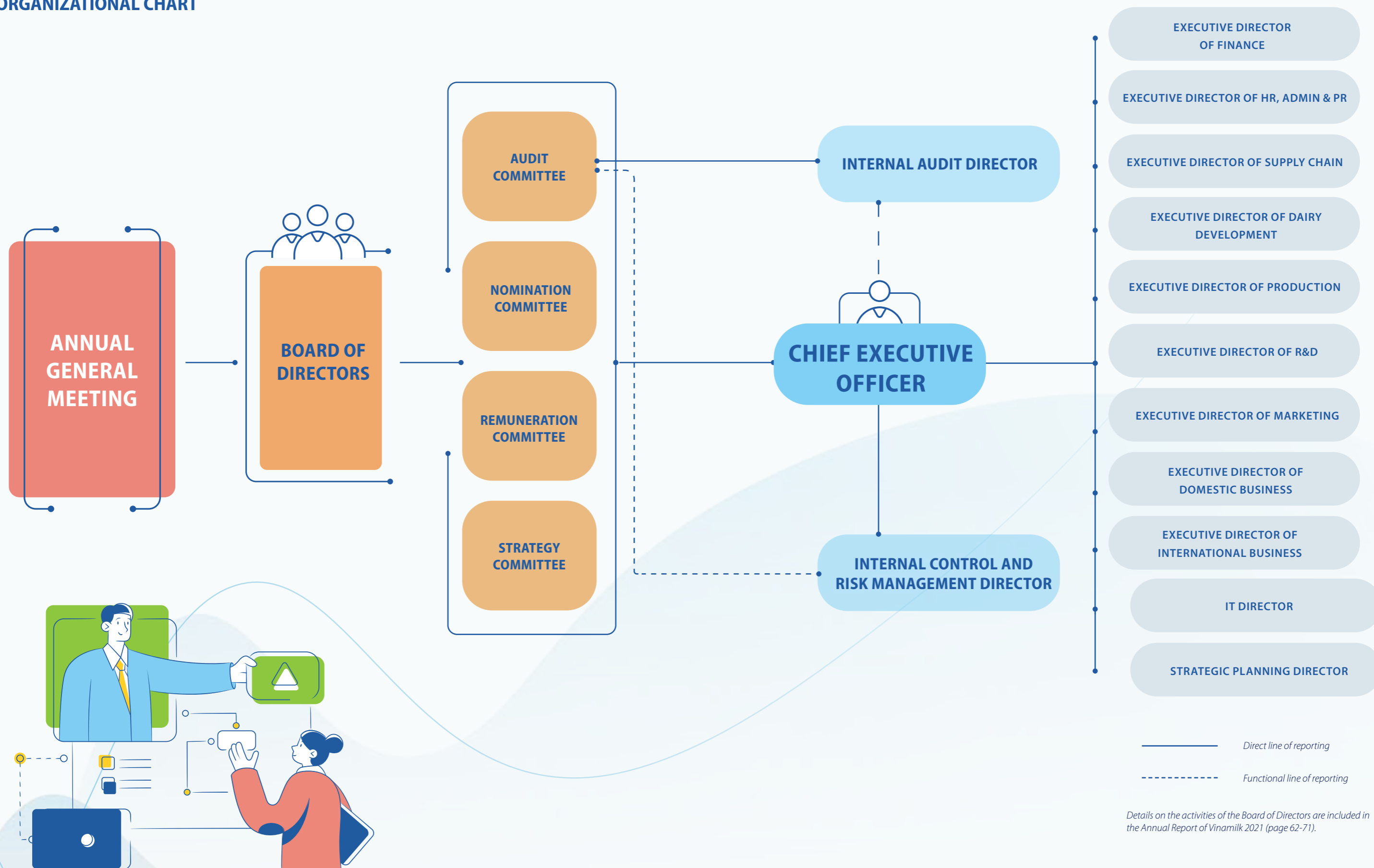
BUSINESS MODEL





MANAGEMENT STRUCTURE OF SUSTAINABLE DEVELOPMENT

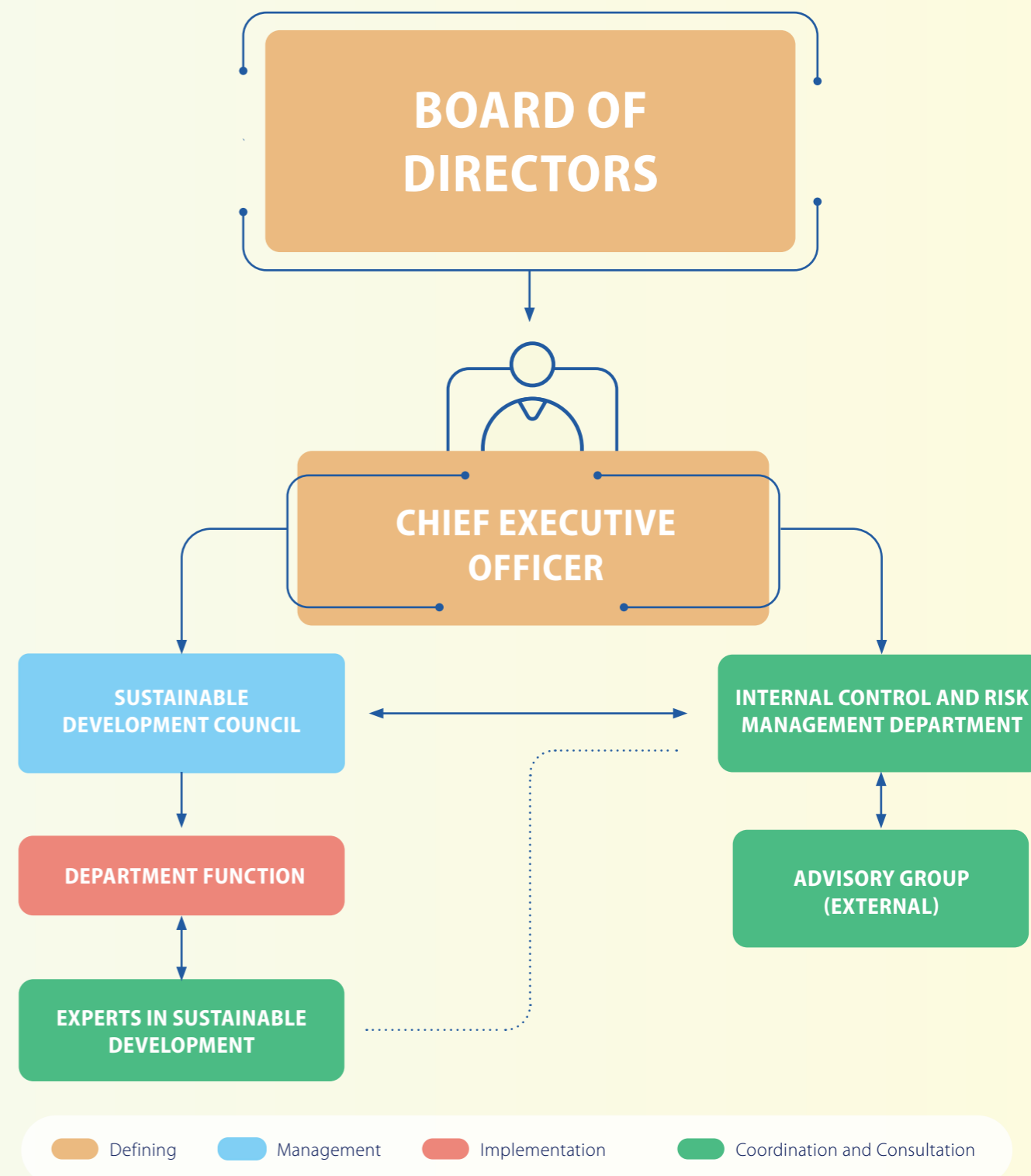
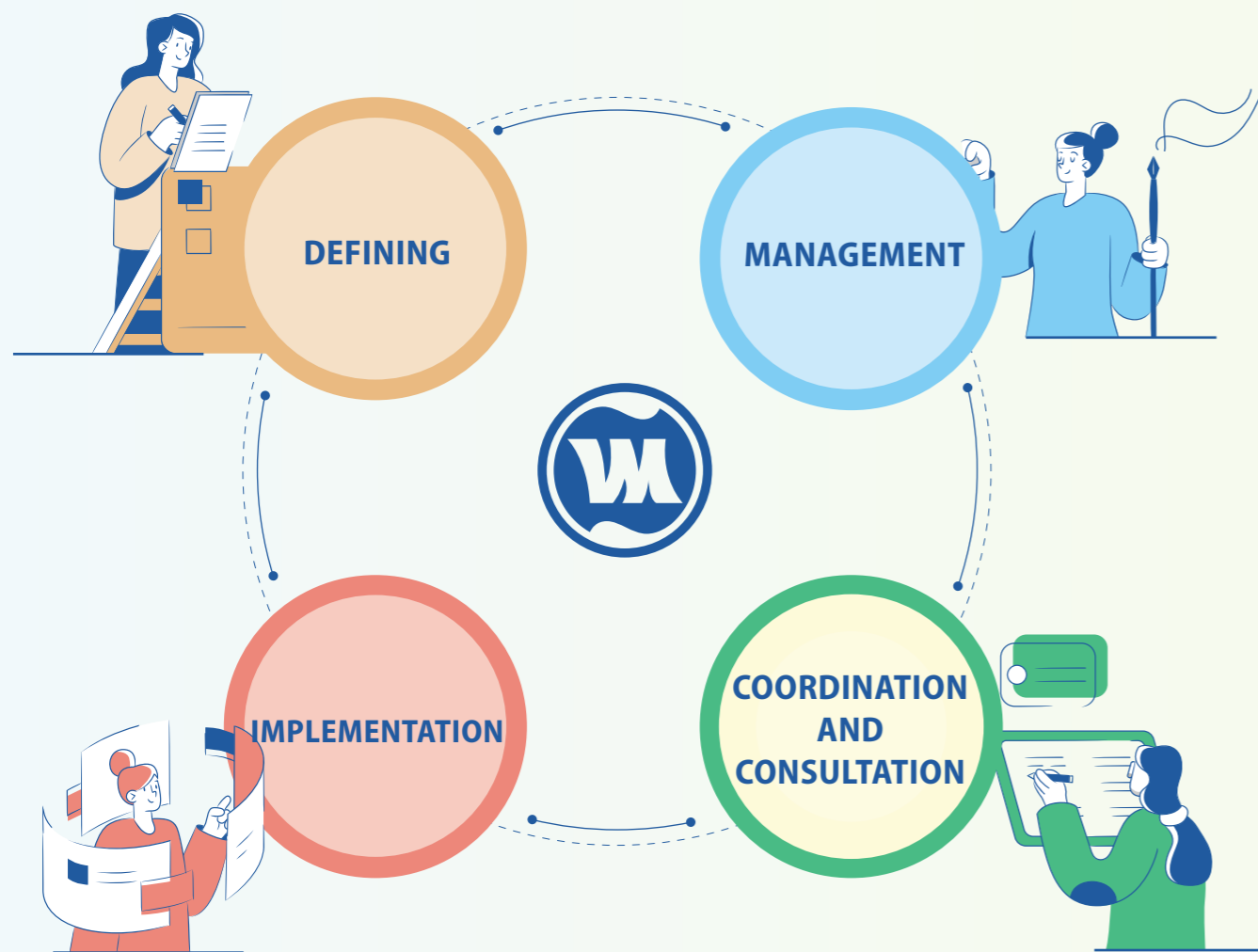
ORGANIZATIONAL CHART





SUSTAINABLE DEVELOPMENT BASED MANAGEMENT STRUCTURE

The Sustainable Development based management structure is established to ensure effective and efficient performance of Sustainable Development. This structure is established with functions of the Defining, Management, Implementation and Coordination.





THREE PILLARS OF VINAMILK'S SUSTAINABLE DEVELOPMENT



Nature

Vinamilk considers nature as a companion in its sustainable development path and aims to reduce the carbon footprint on the green growth roadmap; apply environmentally friendly modern techniques; responsibly and optimally utilizes, exploit and manage natural resources through the circular economy, connects with sustainable development; applies energy and green technologies, effectively manages waste sources and plants trees for greening up Vietnam.



People

Vinamilk always strives to overcome all challenges, break through limits, create success, and share values for mutual development with stakeholders in order to "Stand tall Vietnam, reach out to the world".



Product

- Putting quality first is the principle throughout Vinamilk's operation.
- Vinamilk is committed to bringing safe, valuable products with the best benefits for human health and aims to create more environmentally friendly products and services.
- At the same time, Vinamilk is committed to transparency and responsible communication for product information.
- Reaching perfection with all endless passion, innovation for standing tall Vietnam.





KEY AREAS



Throughout its development journey, Vinamilk has determined that the primary and central goal is to create long-lasting and useful values for stakeholders through the value chain in order to move towards a more sustainable future and share prosperity values to the community, contributing to the goals of economic growth, social development and environmental protection, so that no one is left behind.

From its intrinsic value, in its 45-years journey of constantly striving to break through, Vinamilk is aware of the positive and negative impacts of its business activities on the society, the environment and always listens for improvement and innovation to become a reliable, transparent partner that respects ethical values and corporate social responsibilities.

Materiality elements are important aspects of sustainable development activities, demonstrating the linkage between external expectations and the relevance of internal issues that Vinamilk needs to focus on for sustainable improvement. Since 2020, Vinamilk has made progress towards implementing projects with the globally recognized Dairy Sustainability Framework (DSF), aiming to move to a higher level in its sustainability journey.

METHOD FOR DEFINING MATERIALITY AREAS

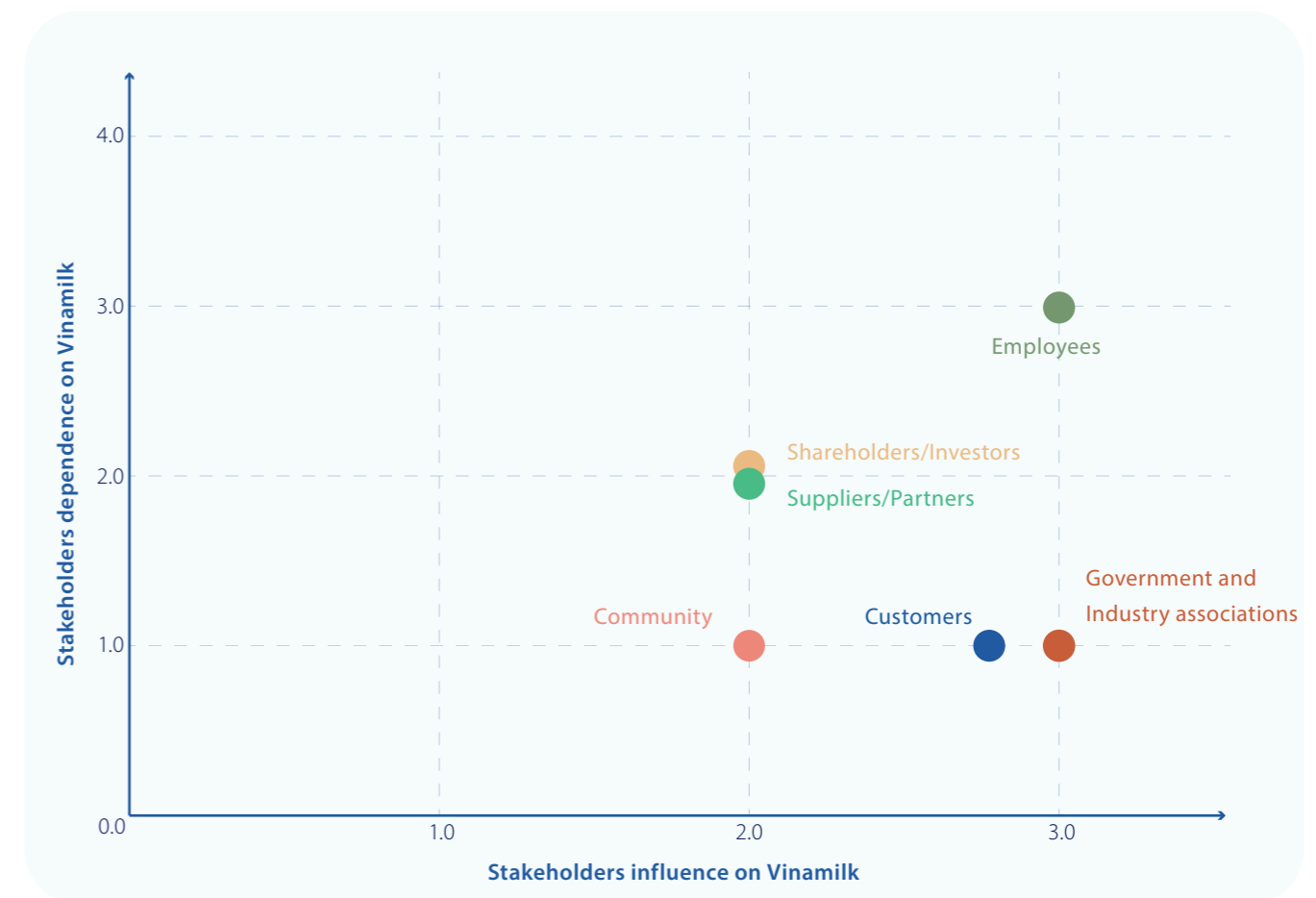


ENGAGEMENT WITH STAKEHOLDERS

In the context of more and more challenges in Sustainable Development in the world, in order to fulfill social responsibilities through operation and application of sustainable initiatives, Vinamilk believes that the sustainable development goals can only be achieved through partnering with stakeholders.

Each stakeholder is a source of motivation for Vinamilk to move forward on the path of Sustainable Development. Vinamilk always seeks and respects the cooperation, companionship, sharing and engagement of stakeholders, which is the key to all sustainable successes and Vinamilk's success is a measure of the values brought to our stakeholders.

In addition, Vinamilk desires to proactively share orientations, promote engagement activities and listen to stakeholders to create the driving force and foundation for our future sustainable development activities.



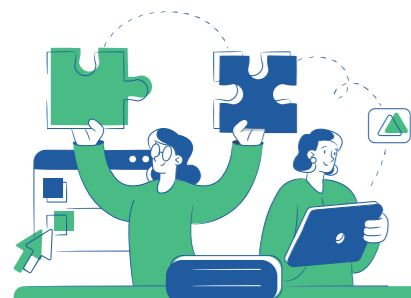


LISTENING AND HARMONIZING THE DEMANDS AND EXPECTATIONS OF THE STAKEHOLDERS

BREAKTHROUGHS OF 2021

Selecting representatives
and directly interacting with
stakeholders about Vinamilk's
sustainable development
activities

- Organizing a sharing session on Vinamilk's sustainable development activities and spreading the meaning of this activity to stakeholders.
- Establishing a local management group on sustainable development (LMG).
- Conducting stakeholder surveys on key aspects of Vinamilk.
- Organizing discussions and agreement with stakeholders on key aspects as well as sustainable development orientation of Vinamilk in the future.



Demands and expectations

SUPPLIERS AND PARTNERS

- Cooperation for co-development
- Sustainable growth
- Fulfilling corporate social responsibilities

EMPLOYEES

- Respect for human rights
- Safe working environment
- Well-deserved working regime, salary and bonus, benefits
- Training and development
- Recognition of achievements

COMMUNITY

- Community development
- Environmental Protection
- Local economic development
- Corporate social responsibilities
- Sustainable husbandry and animal welfare

GOVERNMENT AND INDUSTRY ASSOCIATIONS

- Contribution to the state budget
- Fulfilling corporate social responsibilities
- Implementing and supporting the policies of the state
- Respecting the law
- Development of the local economy and industry development

SHAREHOLDERS/INVESTORS

- Sustainable growth
- Effective use of investment capital
- Information transparency
- Guarantee of shareholders' interests
- The market value of the stock
- Enterprise value
- Advanced corporate governance

CUSTOMERS/CONSUMERS

- High-quality, safe, high-class products
- Diversified products suitable for each customer segment
- Product prices are consistent and easy to access
- Transparent information
- Innovative and at the forefront of technology and user needs
- Satisfying customers' needs
- Good customer relationship



Vinamilk's actions

SUPPLIERS AND PARTNERS

- Seeking, meeting
- Evaluating Suppliers and monitoring supply process
- Direct exchange through training Sessions
- Participating, consulting through meetings

EMPLOYEES

- Annually survey on working environment
- Organizing annual employees' meetings
- Organizing review meetings
- Organizing training courses
- Operating effective internal
- Setting up direct communication, complaint settlement mechanism
- Promulgating and enforcing of policies
- Conducting the Two-way information and consultation

COMMUNITY

- Bilaterally communicating through events
- Coordinating with local authorities and associations
- Disseminating and implementing programs for the community
- Consulting on Nutrition
- School Milk Program

GOVERNMENT AND INDUSTRY ASSOCIATIONS

- Actively engaging in perfecting the legal system of relevant sectors
- Pioneering in the application and updating of State regulations
- Critical survey on sustainable development
- Contributing ideas and discussing directly / online through sharing sessions, seminars.

SHAREHOLDERS/INVESTORS

- Consultation through the annual general meeting of shareholders
- Collecting shareholders' opinions in writing
- Direct communication with major shareholders through investment projects
- Surveying investor satisfaction
- Critical Survey on Sustainable Development
- Channels providing direct answers and information

CUSTOMERS/CONSUMERS

- Collecting information from sales staff/ distributors
- Supporting customers online and hotline
- Conducting consumer taste survey
- Conducting surveys and evaluation of customer satisfaction
- Disseminating and joining hands in implementing the sustainable development program
- Communication through channels (website, facebook, etc.)
- 24/7 Handling Complaints and customer care



Achievements

SUPPLIERS AND PARTNERS

- Evaluating more than **200** suppliers
- Maintaining interaction with more than **5,124** farming households and **83** raw milk transfer stations.
- Organizing **03** technical support programs in favor of livestock units/households, improving milk quality and overcoming difficulties caused by weather.

EMPLOYEES

- Annual employees' meetings
- **88.4 %** of employees were generally satisfied with the working environment

COMMUNITY

- More than **23** programs and **70** articles about health and nutrition communication
- Deploying the School Milk Program in **26** provinces and cities

GOVERNMENT AND INDUSTRY ASSOCIATIONS

- Participating and contributing opinions to legal documents

SHAREHOLDERS/INVESTORS

- Stateholder's convention was established in 4/2021
- **Top 3** listed enterprise with the highest rated investor relations activities by financial institutions evaluation in 2021 (large-cap group)

CUSTOMERS/CONSUMERS

- Customer satisfaction rate is **~97.7%** for distributors
- Implementing **39** commercial support programs for existing partners and customers



MATERIALITY AREAS

Through the project with the Sustainable Development Framework for the Global Dairy Industry (DSF), Vinamilk conducted a survey of stakeholders' opinions and coordinated in the final adjustment based on Vinamilk's data analysis and judgments, and the opinion of the LMG (Local Management Group) to define material aspects. These are important and decisive topics for Vinamilk's strategic direction of sustainable development.

ENVIRONMENT

GREENHOUSE GAS EMISSIONS

- Using resources efficiently and responsibly
- Reducing greenhouse gas emissions, responding to climate change
- Technology application in production and animal husbandry
- Using green energy: solar energy, Biomass, CNG, etc.

WASTE

- Application of 3R solutions (Reduce, Reuse, Recycle) and circular economy
- Wastewater and waste control

WATER AVAILABILITY & QUALITY

- Efficient use of water resources and responsible exploitation

BIODIVERSITY

- Biodiversity protection

SOIL NUTRIENTS/ SOIL QUALITY & RETENTION

- Sustainable land management

SOCIETY

WORKING CONDITIONS

- Building a safe working environment and taking care of employees' health
- Respect in the spirit of voluntariness, equality, non-discrimination, respect for human rights and listening to the voices of employees
- Positive and healthy development, cultivating talents through training and promotion activities, ensuring income and welfare, encouraging and facilitating community activities, balancing life and work
- Integrity culture in the organization, business ethics

PRODUCT SAFETY & QUALITY

- Transparent labeling information
- Transparent, honest and responsible communication and marketing
- Safe and qualified products

ECONOMY

RURAL ECONOMIES

- Development of dairy cow farming industry
- Procurement from and prioritization of appropriate local supply sources
- Delivering values to stakeholders

MARKET DEVELOPMENT

- Expanding Sustainable Development activities to suppliers in the supply chain
- Sustainable investment, putting criteria related to Sustainable development into the assessment when there are investment opportunities

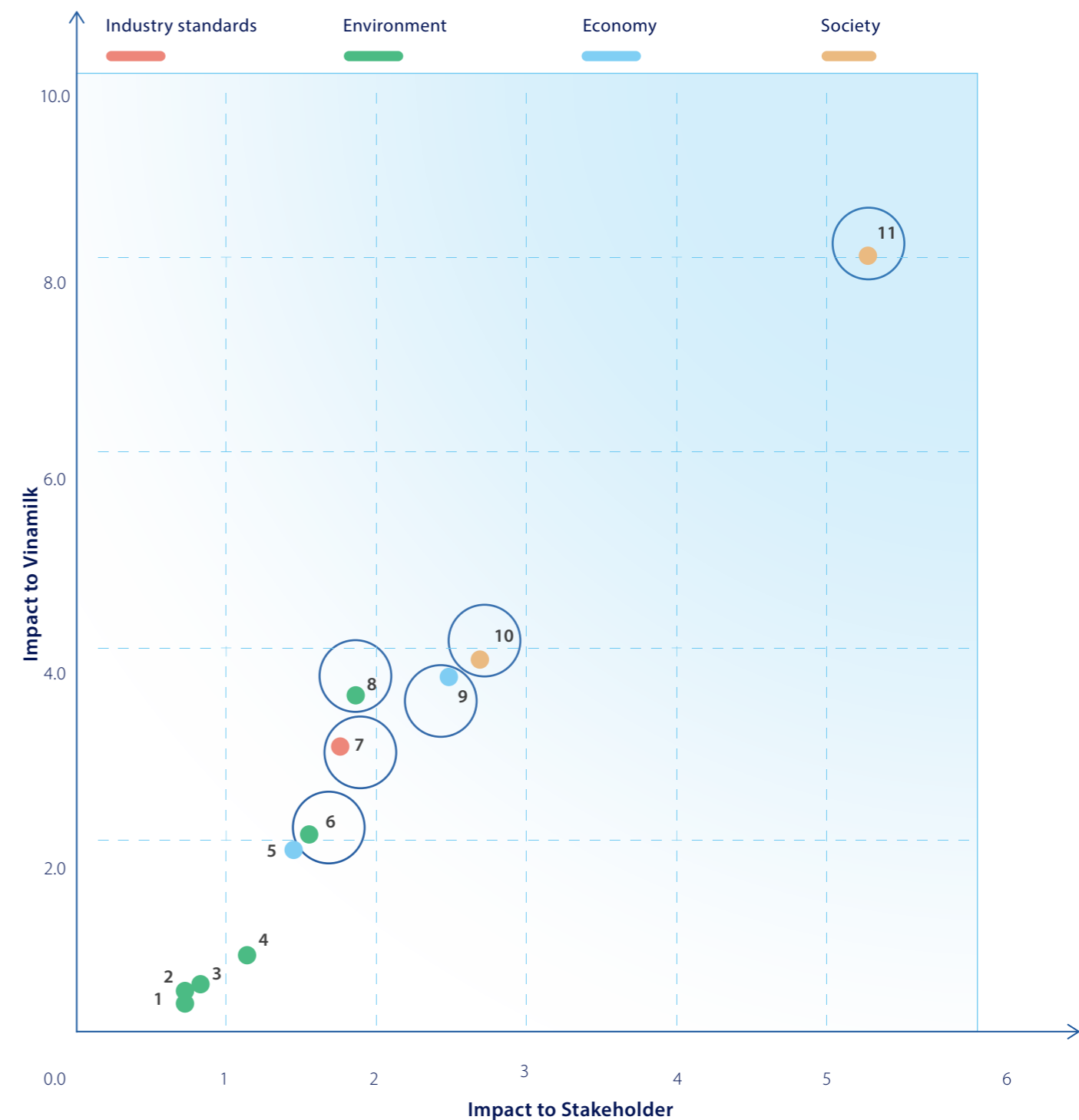
INDUSTRY STANDARDS

PRODUCT SAFETY & QUALITY

- Products satisfying a variety of needs
- Green, clean, organic products

ANIMAL WELFARE

- Cow welfare



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



BUILDING TRUST

The trust of customers and stakeholders is an invaluable asset for the real success of an enterprise.

At Vinamilk, we care deeply about the sustainable values delivered to each customer, employee, partner, shareholder, government and stakeholders. At the same time, each interaction with stakeholders brings an opportunity for Vinamilk to build and nurture the trust and is the foundation and motivation to help us overcome difficulties and challenges to gain achievements on our 45-years development path.

With a sustainable development strategy based on three major pillars namely PEOPLE - PRODUCT - NATURE, Vinamilk has implemented a series of sustainable development activities around these three pillars to fulfill the mission of “Bringing the most valuable source of nutrition to the community with all respect, trust and responsibilities”.

In 2021, Vinamilk made new strides on the path of sustainable development through a series of activities with stakeholders and cooperation projects with global organizations on sustainable development, continuing to affirm our leading position in sustainable development in Vietnam and go further and integrate into the global sustainable development trajectory.





Chapter 2

CONSTANTLY CHALLENGING BREAKING THROUGH LIMITES

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THE JOURNEY OF BUILDING TRUST AND SHARING PROSPERITY

1976

Vinamilk was established on August 20, 1976 with 3 Factories: **Thong Nhat**, **Truong Tho**, **Dielac**.

1988-1989

Launched children's powdered milk and nutrition powder for the first time in Vietnam

1990-1991

Initiated the **"White Revolution"**, and pioneered the building of dairy material areas.

Introduced **UHT Sterilized** và **Yogurt** for the first time in Vietnam market.

2002

Established the **"Vinamilk - Nurturing young Vietnamese talent"** scholarship fund.

2003

Successfully equitized and officially renamed to Vietnam Dairy Products Joint Stock Company.

2006

Tuyen Quang Dairy farm - the first dairy farm came into operation.

Obtained the Environmental Management System Certificate according to **ISO 14001** standard.

2007

Accompanied the **National School Milk** program.

2008

Established **"Stand Tall Vietnam Milk Fund."**

2010

Established health nutrition counseling centers across the country.

Used **Biomass** steam in production.

Promulgated **Code of Conduct**, established and communicated the Core Values.

Developed Corporate Governance Regulations, set up and maintained operational structure and corporate governance principles according to advanced practices.

2012

Obtained the Energy Management System Certificate according to **ISO 50001** standard.

Officially applied and published the Sustainable Development Program according to **GRI** standard.

2013

Used energy from **CNG** compressed air in production.

2014

Nghe An Dairy Farm was the first farm in Southeast Asia as well as one of three farms in Asia to qualify the **GlobalG.A.P** standard.

Obtained the Food Safety Certificate according to **FSSC 22000** standard.

2015

Obtained the Occupational Health and Safety Management Certificate according to **OHSAS 18001/ ISO 45001** standard.

2016

Da Lat Dairy Farm was the first farm in Vietnam certified by **Control Union** to meet **European organic standards**.

Officially launched **Vinamilk's Six Cultural Principles**.

Launched the first **100% Organic Fresh Milk** product in Vietnam.

Vinamilk was honored as **Top 10 Sustainable Enterprises** in Vietnam in the Manufacturing segment.

Started to install and use solar energy systems for farm systems.

2018

Pioneered to launch the first **100% A2 Fresh Milk** product in Vietnam.

2018-2019

Promulgated the Regulation on anti-fraud and anti-corruption and established a Compliance Committee.

2019

Launched the first **Organic Powered Milk** and **Nutrition Power Products** in Vietnam.

2020

Accomplished the goal of planting over **1.1 million trees in Vietnam**.

Topped for the 3rd continuous time at **Top 100 Vietnam Best Places to Work (Anphabe)**.

Won the **first place** in the category of Best Corporate Governance company (large cap group).

2021

- Launched the **Green Farm – an eco friendly model**.
- Cooperated in implementing a project on **Sustainable Development under the Global Dairy Sustainability Framework (DSF)**.
- Become **The Partner** of Anphabe, promoting a good working environment in the business community.
- **Top 8** most valuable dairy brands in the world (valued at USD 2.4 billion-according to Brand Finance - UK).
- **Top 27** most valuable brands in the global food industry (according to Brand Finance - UK).
- **Top 40** dairy companies with the highest revenue in the world (according to Plimsoll - UK).
- Enterprise with **Best Community Programme** and Enterprise with **Best Community product** (Global CSR Awards 2021 - ACES Awards).
- Asia's Best Community Centric Company Of The Year (Asia corporate excellence & sustainability awards 2021- ACES Awards 2021).
- Ranked **Top 10 Sustainable Development Enterprises** in the manufacturing sector in Vietnam for **6th consecutive years**.
- **First prize in Sustainable Development Report 2021** (Vietnam Institute of Directors - VIOD).



SUSTAINABLE DEVELOPMENT IN THE NEW CONTEXT

The Covid-19 pandemic is not only a medical crisis but also an economic, humanitarian, security and human right crisis. The pandemic waves have caused serious and multifaceted impacts on the world economy, affecting the lives of billions of people and increasing the risk of non-achievement of 17 Sustainable Development Goals (SDGs) defined in 2030 Agenda.

ECONOMY - SOCIETY

In the World

The global economic recovery from impact of the pandemic is gradually slowing. It is forecasted that by 2024, decrease in GDP growth rates in developing economies and increase in developed economies will widen global income inequality gap.

- **Global trade tends to increase after the trough:** Supply disruptions coupled with the imposition of health restrictions in response to the Covid-19 waves have reduced the global merchandise trade recovery strength.
- **Rising prices and inflation:** Rapidly rising inflation in many countries as a consequence of supply chain disruptions combined with rebounding consumer demand and higher commodity prices will increase the risk of interest rate hikes of the central banks. As a result, low-income households in extremely difficult circumstances will be strongly affected, while small and medium-sized enterprises that are still managing to avoid bankruptcy will be affected by weakening consumption.
- **Labor market volatility:** The global unemployment rate is expected to remain higher than before the Covid-19 pandemic at least until 2023. The global unemployment is estimated to reach 207 million people in 2022, compared to 186 million people in 2019. The global labor force participation rate in 2022 is expected to remain 1.2 percentage points which is lower than that in 2019.



In Vietnam

The average income of employees in 2021 reached 5.7 million VND/month per month, decreased by 32,000 VND compared to 2020. The number of unemployed working age people across the country is about 1.4 million. The Covid-19 epidemic outbreak has negatively affected the labor market, increased the number of unemployed workers and decreased income of workers.

PRODUCT

Sustainable food and green consumption

- Beyond nutritional health criteria, consumers are increasingly demanding food and beverage products that are transparent, ethical, and environmentally friendly, which is considered a factor in making purchase decisions.
- The trend of prioritizing food of plant-based, green, clean and organic origin continues to boom and expand.



NATURE

COP26 marked a historic turning point for environmental protection efforts

The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) reaffirmed the Paris Agreement's goal of limiting global temperature rise to 1.5°C. More than 1,000 enterprises have committed to reducing greenhouse gas emissions in line with the Paris Agreement's overall goal, and set out ambitious plans to decarbonise, paving the way for building a global carbon pricing and trading system.

At COP26, Vietnam made strong commitments on achieving "net-zero" carbon emissions by mid-century, reducing global methane emissions by 2030, joining the Glasgow Leaders' Declaration on forests and land use, joining the Global Coal to Clean Power Transition Statement, joining the Global Adaptation Action Coalition, etc.

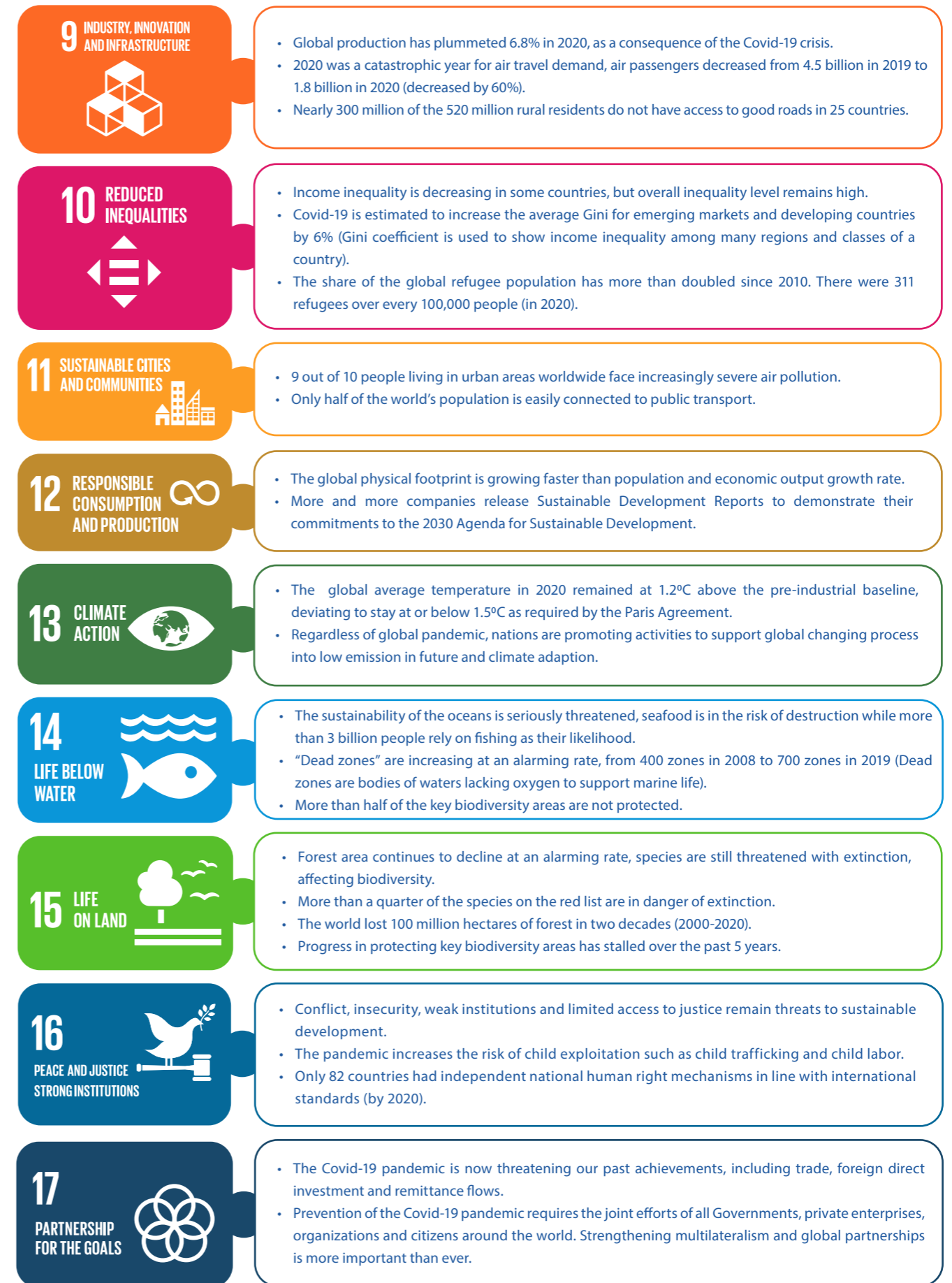
Following these commitments, the Government of Vietnam has implemented a series of management programs and mechanisms towards Sustainable Development, focusing on 8 key tasks:

- Transitioning from fossil energy to green and clean energy sources
- Reducing greenhouse gas emissions in industries and sectors
- Reducing methane emissions, especially in agricultural production and waste treatment
- Encouraging research, development and use of electric cars
- Sustainable management and use of existing forests, while promoting new afforestation to absorb and store carbon
- Research, production, use of building materials and urban development suitable for green and sustainable development
- Promoting and innovating communications so that the whole people and enterprise community unify their awareness and accompany the Government in implementing commitments at COP26
- Promoting digital transformation in response to climate change





PERFORMANCE OF 17 SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS (SDGs)



THE GLOBAL GOALS
For Sustainable Development

Source: <https://unstats.un.org/sdgs/report/2021/The-Sustainable-Development-Goals-Report-2021.pdf>



OBJECTIVES AND ECONOMIC - SOCIAL - ENVIRONMENTAL IMPACT ASSESSMENT IN 2021

ASPECTS	KEY AREAS	SUSTAINOGRAM	RESULTS 2021	SDGS
Economy				
Economic performance	Sustainable growth	\$ Total consolidated revenue (VND billion)	61,012	1 NO POVERTY 2 ZERO HUNGER
		\$ Consolidated profit before tax (VND billion)	10,633	
	Value brought to shareholders and investors	\$ Value paid to shareholders and investors (VND billion)	7,524	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Value brought to the government	\$ Contribution to the state budget through taxes (VND billion)	5,322	17 PARTNERSHIPS FOR THE GOALS
	Salary and welfare	\$ Employee welfare (VND billion)	Over 1,000	
Indirect economic impact	Value traded with suppliers	\$ Transaction value with supplier (VND billion)	33,206	
	Create sustainable jobs	# Jobs created at VNM	7,933	
	Develop local economy	# Amount of milk purchased from farmer (tons)	193,526	
Society				
Labor and employment	Salary and welfare	% Employees satisfy with the working environment	85.9	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION
	GCoheion and loyalty	% Rate of resignation	3.9	
	Occupational safety and health	% Rate of work-related injuries (IR)	0.07	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
		% Rate of work-related ill health (ODR)	0.10	
		# Workers covered by an occupational health and safety management system"	7,933	
	Training and development	# Number of training courses held	597	10 REDUCED INEQUALITIES
		# Number of participants in training courses	25,536	
		# Average training hours - Manager level	26.5	
		# Average training hours - Staff level	41.1	
		# Average training hours - Male	42.1	
	Diversity, equality and open communication	% Percentage of women in management	27.7	
		% Percentage of female leaders in the executive board	40	
	Labor relations	% Employees participating in collective bargaining agreements	100	
Product responsibility	Safe and quality products	% Products that rated for safety and quality	100	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING
		# Number of product recalls	0	
		% Products manufactured under the FSSC 22000 certified system	100	
	Transparent labeling	% Product labels controlled for information	100	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Responsible communication and marketing	# Number of misconduct incidents related to Responsible marketing and communications	0	
	Satisfy customers	% Satisfy domestic customers	97.7	
		% Satisfy international customers	98.4	

ASPECTS	KEY AREAS	SUSTAINOGRAM	RESULTS 2021	SDGS
Environment				
Raw Materials	Sustainable raw material source and circular economy	# Initiatives on 3R (Reduce - Reuse - Recycle)	69	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY
		\$ Value of savings from initiatives (VND billion)	6.5	
Energy	Efficient energy usage	# Energy consumed / ton of product (KJ/ ton of product)	Page 188	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Modern technology 4.0 and green energy	% CNG/ total energy use ratio	23.59	
		% Biomass/ total energy use ratio	65.58	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Soil	Sustainable soil management	\$ Value of trees planting to creat green patched and prevent erosion (VND billion)	> 3.2	13 CLIMATE ACTION 14 LIFE BELOW WATER
Water	Responsible, efficient and recirculated water usage	% Percentage of water recovered	5.4	
		% Water used / ton of product	Page 188	
Waste and effluents	Waste and effluent control and circular economy	# Total amount of wastewater by source (m ³)	3,560,789	
		# Total amount of waste by type and disposal method	Page 189	
		# Total amount of water consumption (m ³)	3,626,674	
		# Incidents related to the environment	0	
Emissions	Reduce CO ₂ emissions			
	Climate change resist	# CO ₂ emission / ton of product	Page 189	
Industry Standards				
Animal welfare	Cow welfare	# Number of EU Organic certified farms	3	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING
		# Number of China Organic certified farms	2	
		# Number of farms certified to GlobalG.A.P standard	13	
Health and nutrition	Appropriate and quality nutrition source	% Percentage of fat reduced products	0.15	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		% Percentage of sugar reduced products	6.16	
		% Percentage of products without added sugar	11.32	
		% Percentage of plant-based products in the product structure	1.07	
		% Percentage of vitamin and minerals supplement products	80.00	
		% Percentage of soluble fiber supplement products	11.54	
		% Percentage of probiotic supplement products	4.48	
		% Percentage of naturally fermented products	16.64	
	Green, clean and organic products	% Percentage of organic products	0.21	
Diversify products	Products meet diverse needs	# Innovation and diversifying products	21 new products 28 innovative products	



DEVELOPMENT STRATEGY 2022 - 2026



DEVELOP EXCELLENT PRODUCTS AND BRING SUPERIOR EXPERIENCES TO CONSUMERS

- Consolidate the leading position in Vietnam's dairy industry
- Accelerate research and development of new products, aiming to serve comprehensive nutritional needs
- Put consumer experience at the heart of developing omnichannel outreach and distribution strategies



PROMOTE THE APPLICATION OF TECHNOLOGY IN SUSTAINABLE AGRICULTURE

- Apply Internet of Things, big data, automation and robotics technologies, thereby improving transparency, efficiency, and biodiversity of farming, livestock, and exploitation activities
- Develop the largest international-standard certified dairy farm system in Vietnam
- Implement international standards on sustainable development, increased use of green energy, circular economy, preservation of water and land resources



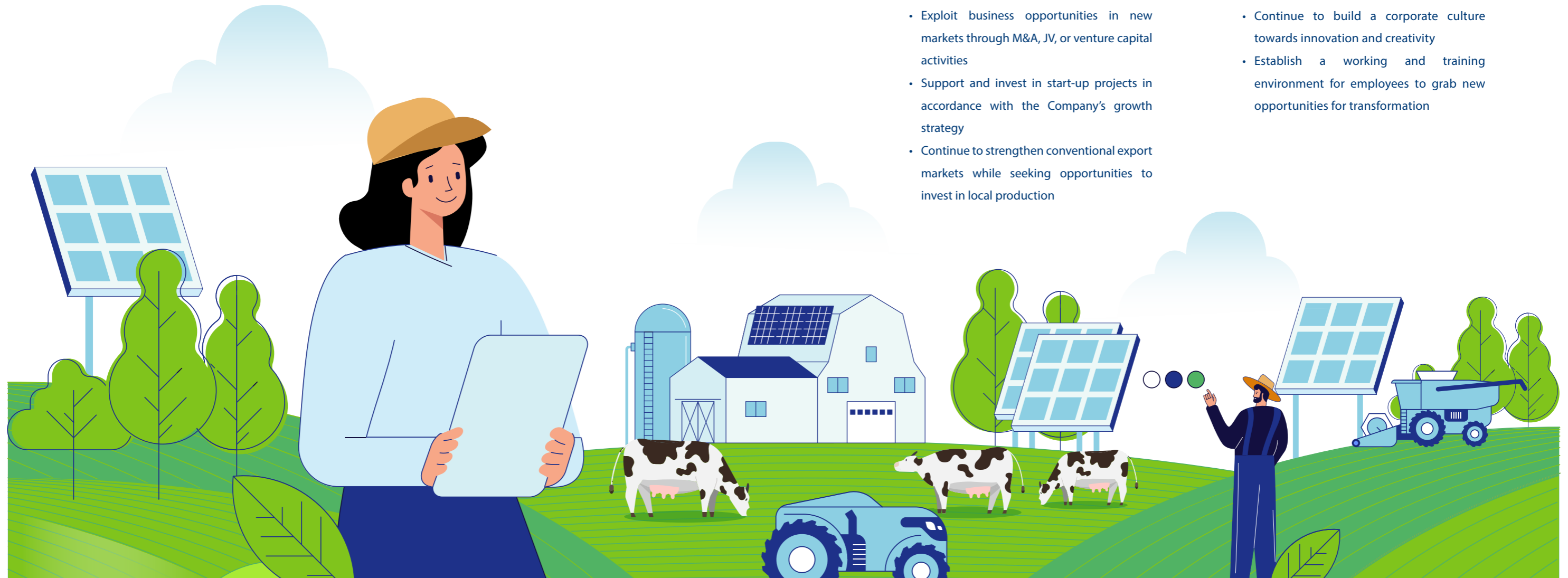
CREATE NEW BUSINESS OPPORTUNITIES

- Exploit business opportunities in new markets through M&A, JV, or venture capital activities
- Support and invest in start-up projects in accordance with the Company's growth strategy
- Continue to strengthen conventional export markets while seeking opportunities to invest in local production



BECOME THE DESTINATION OF TALENTS

- Continue to build a corporate culture towards innovation and creativity
- Establish a working and training environment for employees to grab new opportunities for transformation





RISK MANAGEMENT RELATED TO SUSTAINABLE DEVELOPMENT

RISK MANAGEMENT DURING THE COVID-19 EPIDEMIC PERIOD

Facing the complicated movements of Covid-19 epidemic, Vinamilk has strictly and effectively managed the existing risk portfolio. Vinamilk has assessed the impacts of the epidemic on key aspects of the production and business chain and implemented corresponding response plans to minimize the impact of the epidemic and ensure the Company's continuous production and business activities in all aspects of operations such as Strategies and implementation of strategies - Finance - Operations - Compliance, Legal - Force Majeure. These risks are regularly monitored, periodically assessed so that strict and timely control measures are put in place to prevent and minimize damage in case of occurrence.



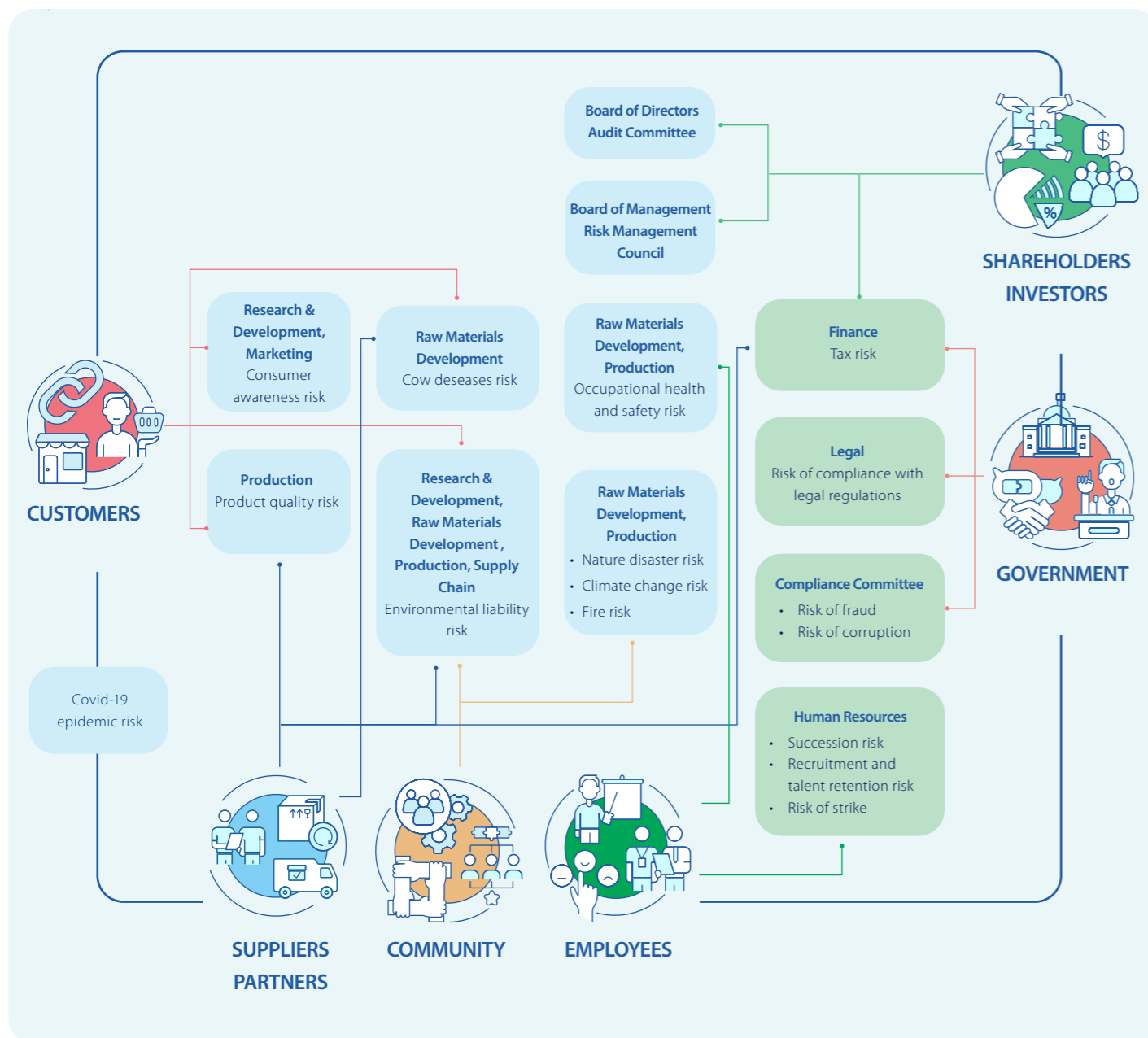
RISK MANAGEMENT RELATED TO SUSTAINABLE DEVELOPMENT

In a complicated Covid-19 epidemic situation with the appearance of new variants, potential challenges and changes in economy, politics, society, health, demands and habits of consumers, Vinamilk is more clearly aware of the importance of risk management related to sustainable development. In 2021, Vinamilk continued to manage the Sustainable Development related risks portfolio, establish and evaluate the results of the implementation of specific goals and metrics related to Sustainable Development at the Company level.



No	Category	Risk
1	Strategic risks	Consumer awareness risk
2		Succession risk
3	Operational risks	Product quality risk
4		Fire risk
5		Natural disaster risk
6		Climate change risk
7		Cow disease risk
8		Occupational health and safety risk
9		Recruitment and talent retention risk
10		Risk of strike
11		Risk of fraud
12		Risk of corruption
13	Financial risk	Tax risk
14	Compliance risks	Risk of compliance with legal regulations
15		Environmental liability risk
16	Force majeure risk	Emerging risk - Covid-19 epidemic risk

Risk portfolio under the Sustainable Development program is established and monitored



Risk management related to Sustainable development in relation to stakeholders



SUSTAINABLE DEVELOPMENT RELATED RISK MANAGEMENT ACTIVITIES IN 2021

In the year 2021 full of difficulties and challenges, risk management activities at Vinamilk were maintained regularly to manage risks specified in the portfolio, according to the process of risk identification – risk assessment – risk monitor and risk reporting, featuring the following activities:

- Implementing the assessment of risks related to Sustainable development and monitoring Key risk indicators on a quarterly basis for Departments of the Company.

100% of the Sustainable development related risks were assessed during the year (16/16 risks)

100% of Sustainable development related risks were monitored by KRIs (16/16 risks)

- Communicating and consulting on Sustainable development topics through periodic Risk Management Newsletters, with topics on Sustainable development, Environmental liability, Natural disasters, Climate change, Covid-19 epidemic, etc.
- Implementing the project on “Reviewing and upgrading the Enterprise risk management system” with PwC, an independent consulting firm, aiming to improve the risk management system according to advanced practices. Accordingly, a comprehensive review and assessment of the current risk management system was conducted and the documents of the risk management system were reviewed and updated on the basis of comparison with the global advanced practices, common risk portfolio of the Dairy and Beverage industry as well as comparison with the Company’s strategy and objectives, taking into account changing external context (economy, politics, technology, epidemics, etc.) and internal context of the Company (development strategy, company operations, company structure, etc).

- Deployed the Vinamilk Risk Management Culture survey.
- Conducted a comprehensive assessment of the current risk management structure and system in terms of human resources, techniques, processes, and technology.
- Conducted a survey with the Audit Committee and the CEO on Risk Appetite and Credit Rating with the Internal Control system.
- Reviewed and updated Risk appetite, Risk portfolio, Risk parameters, Key risk indicators (KRIs) of the Company.
- Reviewed and updated the documentation related to risk management activities such as policies, procedures and implementation forms.
- Ensured that business continuity is integrated into the Company’s risk control.

With the above highlights, Risk Management will become more and more deeply embedded in daily work and become an indispensable part, not only helping Vinamilk become more and more stable in ensuring the achievement of its goals, but also bringing the Risk management system to the new step of maturity.



SUSTAINABLE DEVELOPMENT REPORT

SCOPE OF REPORT

PRINCIPLES FOR PREPARATION OF REPORT

The Sustainable Development Report of Vinamilk is prepared annually in order to present and disclose official information related to the Company's goals, orientations and activities related to Sustainable Development. In 2021, the Sustainable Development Report continued to be prepared as a separate report from the Annual Report. All figures are reported for the year ended 31 December 2021.



In this report, materiality elements are defined based on a stakeholder survey and a combined assessment of the level of stakeholder interest and their impact on Vinamilk. The information presented including Vinamilk's management methods, goals, 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 elements; presenting assessments, achievements of the Company in the year, fulfillment of Vinamilk's commitments and the concerns of stakeholders, in order to outline the overall picture of the Company's operations during the year, and sustainable development orientation for the future.

The report is prepared with reference to the Global Reporting Initiative Standards for Sustainability Reporting (GRI Standard) released by the Global Sustainability Standards Board (GSSB) in 2016, revised in 2020. This is the latest version of International standards on Sustainability Reporting. In addition, the report also presents several additional published indicators according to GRI's guidelines for food processing sector (GRI Food Processing).

Moreover, this report presents the operational goals and strategies of Vinamilk associated with the United Nations' Sustainable Development Goals (17 Sustainable Development Goals) and the Dairy Sustainability Framework.



THE GLOBAL GOALS
For Sustainable Development

UNITS INCLUDED IN THE REPORT

The scope of Vinamilk's operation reports consists of branches, affiliated units, and subsidiaries controlled by Vinamilk, including:

- Head office, 13 factories, 03 branches, 02 logistics enterprises and Cu Chi Raw Milk Center
- Vietnam Dairy Cow One Member Company Limited
- Thong Nhat Thanh Hoa One Member Company Limited
- Angkor Dairy Products Co., Ltd. (The Kingdom of Cambodia) (except indicators related to nutritional quality and health – GRI FP6)
- An Khang Clinic (including personnel quota only)

For comments or questions related to the report, please contact us via Vinamilk's Website, at the Feedback information section (<http://www.vinamilk.com.vn/?vnm=FAQ>) or email to the member in charge of the Sustainable Development Program.

ASSURANCE OF LIMITED INDEPENDENCE FOR SUSTAINABLE DEVELOPMENT REPORT

In order to provide accurate and reliable information on sustainable development performance to stakeholders, Vinamilk's Sustainable Development Report 2021 continues to be guaranteed by PwC Vietnam. Vinamilk affirms that no conflict of interest exists in appointing an assurance service provider. The Sustainable Development Indicators are selected according to the materiality elements covering the economic, environmental and social fields 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 mineral 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 product structure (Nutritional quality and health) – FP6;
- Amount of GHG emissions (kg CO₂) – GRI 305;
- Amount of energy consumption (MJ) GRI 302-1;
- Water withdrawal (m³) by the source GRI 303-3;
- Water discharge (m³) by types of destination GRI 303-4;
- Water consumption (m³) 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;
- Rate of occupational disease – GRI 403-10;





MEMBERS IN CHARGE OF THE SUSTAINABLE DEVELOPMENT PROGRAM

The CEO directs the program and assigns the participants include:

WORKING ENVIRONMENT



Ms. Bui Thi Huong

Executive Director of HR – Admin & Public Relation

Email: bthuong@vinamilk.com.vn

In charge of general management

Mr. Nguyen Tuong Huy

Human Resources Director

Email: nthuy@vinamilk.com.vn

In charge of HR and working environment issues

Mr. Le My Ha

Head of Recruitment and Labor Relations Division

Email: lmha@vinamilk.com.vn

In charge of recruitment, labor management, promotion and occupational safety and health issues

Ms. Duong Thi Truc Ly

Head of Organization Development Division

Email: dtty@vinamilk.com.vn

In charge of the company's training and team development programs

Mr. Do The Tuyen

Head of Salary & Welfare Division

Email: dtuyen@vinamilk.com.vn

In charge of salary, bonus and welfare for employees

PRODUCT RESPONSIBILITY



Mr. Nguyen Quoc Khanh

Executive Director of Research and Development

Email: nqkhanh@vinamilk.com.vn

In charge of product issues

Ms. Bui Thi Thu Hoai

Director of Research and Development

Email: btthoai@vinamilk.com.vn

In charge of product research and development

Ms. Hoang Thanh Van

Product Management Manager

Email: htvan@vinamilk.com.vn

In charge of product research and development

ENVIRONMENT AND ENERGY



Mr. Le Hoang Minh

Acting Executive Director of Production

Email: lhminh@vinamilk.com.vn

In charge of environmental - energy issues in production activities

Mr. Trinh Quoc Dung

Executive Director of Material Area Development

Email: tqdung@vinamilk.com.vn

In charge of environmental - energy issues in farm operations

Mr. Nguyen Quoc Phong

Energy & Environment Management Manager

Email: nqphong@vinamilk.com.vn

In charge of implementing environmental management and energy saving activities

Mr. Trinh Phuong Nam

Director of Agriculture

Email: tpsnam@vinamilk.com.vn

In charge of agricultural and animal husbandry activities

Mr. Nguyen Dang Khoa

Technical Director of Vietnam Dairy Cow One Member Co., Ltd

Email: ndkhoa@vinamilk.com.vn

In charge of implementing environmental and energy management activities at the farms

Mr. Nguyen Trung

Supply and Logistics Director

Email: ntrung@vinamilk.com.vn

In charge of implementing environmental and energy management activities in supply activities

COORDINATION AND REPORTING TEAM

In charge of coordinating, summarizing the program and preparing reports, including the following members



Ms. Tran Thai Thoai Tran

Internal Control and Risk Management Director

Email: ttttran@vinamilk.com.vn

Ms. Le Hoang Anh

System Control & ISO Manager

Email: lhanh@vinamilk.com.vn

Ms. Tran Nguyen Kim Phuong

Internal Control Specialist

Email: tnkphuong@vinamilk.com.vn

Ms. Nguyen Thi Huong Lan

Quality Management System Specialist

Email: nthlan1@vinamilk.com.vn

Mr. Phan Hoang Huy

Risk Management Specialist

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Ms. Hoang Thu Ha

Quality Management System Specialist

Email: htha2@vinamilk.com.vn



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 2021 and ended on 31 December 2021 selected and reported in Vinamilk's Sustainability Report 2021 (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 2021 pertaining to the reporting scope described in page 49 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 2021 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) – GRI 203-2 (pages 40 and 114);
- 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 (pages 41, 162 and 163);
- Amount of GHG emissions (kg CO₂) – GRI 305 (pages 189 and 191);
- Amount of energy consumption (MJ) – GRI 302-1 (pages 188 and 190);
- Water withdrawal (m³) by the source – GRI 303-3 (pages 188 and 190);
- Water discharge (m³) by types of destination – GRI 303-4 (pages 41, 189 and 190);
- Water consumption (m³) – GRI 303-5 (pages 41, 189 and 190);
- Total weight of waste (kg) by type – GRI 306-3 (pages 189 and 191);
- Total weight of waste diverted from disposal (kg) using the recovery operations of preparation for reuse, recycling, and others – GRI 306-4 (pages 189);
- Total weight of waste directed to disposal (kg) using the disposal operations of incineration, landfilling and others – GRI 306-5 (pages 189);
- Percentage (%) of recycled and reused water in production (pages 5, 41 và 182);
- Total workers covered by an occupational health and safety management system – GRI 403-8 (pages 40, 61 and 64);
- Rate of work-related injuries – GRI 403-9 (pages 40 and 72); and
- Rate of work-related ill health – GRI 403-10 (pages 40 and 72).



Our limited assurance engagement has been undertaken in respect of the selected Sustainability Indicators for the year ended 31 December 2021 as reported in the Sustainability Report 2021 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 2021 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 49 of Vinamilk's Sustainability Report 2021 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 a 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 2021 and ended on 31 December 2021 as presented in Vinamilk's Sustainability Report 2021, is not prepared in accordance with its internal policies, reporting scope and principles on sustainability reporting as presented on page 48 and page 49.

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 23 November 2021 in connection with presentation of the Sustainability Indicators selected for our limited assurance engagement pertaining to the reporting scope described on page 49 of Vinamilk's Sustainability Report 2021 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

18 April 2022

Reference Report Number: HCM12322



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.



SHARING PROSPERITY

Over the past 45 years, Vinamilk has faced and overcome challenges as well as broken through the limits to transform for a powerful development. On the journey to bring Vietnam's Dairy products to the world, Vinamilk always puts people at the center of all activities, consistently pursues the sustainable values that have been established to Build the trust and Share the prosperity to stakeholders; accompanying the Government and stakeholders "Towards a better decade of Sustainable Development, leaving no one behind".





Chapter 3
PEOPLE

- Employees58
- Shareholders and Investors86
- Government102
- Community120
- Partners140
- Customers148



Employees





"COMPANION PARTNER"

with Vietnam's Best Places to Work Survey (*)



TOP 1

Most Attractive
Employers in the FMCG
Industry (**)

TOP 2

Most Attractive
Employers in 2021 (**)



(*) Survey conducted by Anphabe - the professional networking community
(**) Surveyed by Career Builder - the employment and recruitment network

WORKFORCE RECRUITMENT

531

newly recruited
employees during
the year



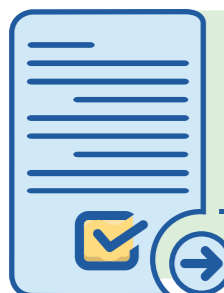
6.7%

rate of new recruits
during the year



4.6%

rate of
resignation



CAREER DEVELOPMENT

100%

employees are periodically
evaluated on their work
performances



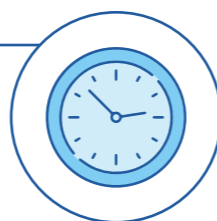
597

training courses
organized

25,536

turns of trainees participating
in training courses

AVERAGE TRAINING HOURS



Management level **26.5 HOURS**

Staff level

41.1 HOURS

7%

rate of management
level of which **27.7%**
is female managers



40%

of the executive board
are female leaders

8%

managers are promoted
in 2021

INCLUSION AND COHESION

7,933

employees



female employees

23.2%



100%

employees participate in
collective labor agreement



100%

employees return to work
after maternity leave

100%

employees participate in the
occupational health and safety
management system



8.9%

employees participate in occupational
safety and health committees

VND 17.17

billion

invested in
Occupational Safety



VND 8.29

billion

for periodic
health examination



VND 58.59

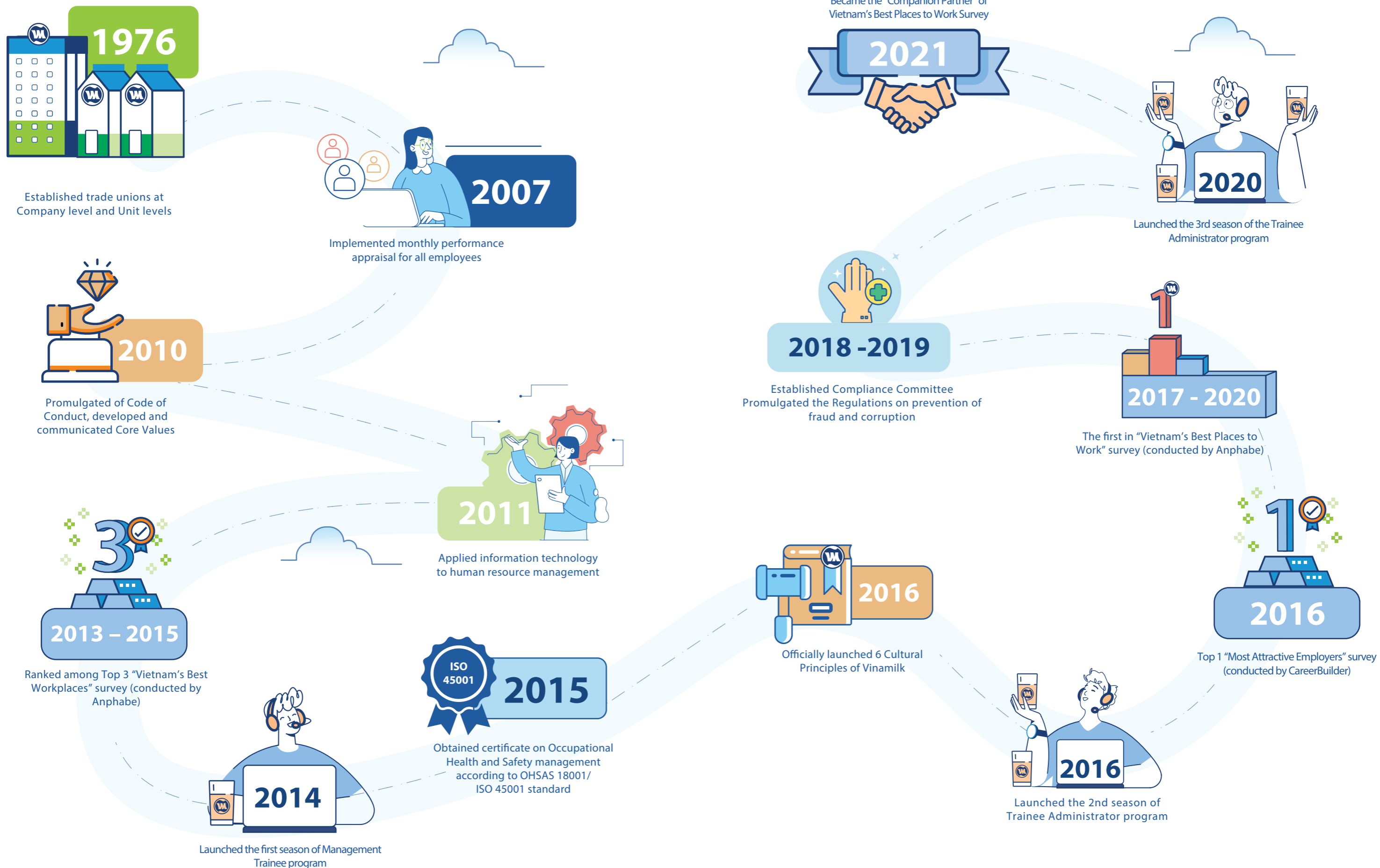
billion

for the prevention activities
of the Covid-19 epidemic





THE JOURNEY OF BUILDING AND SHARING VALUE





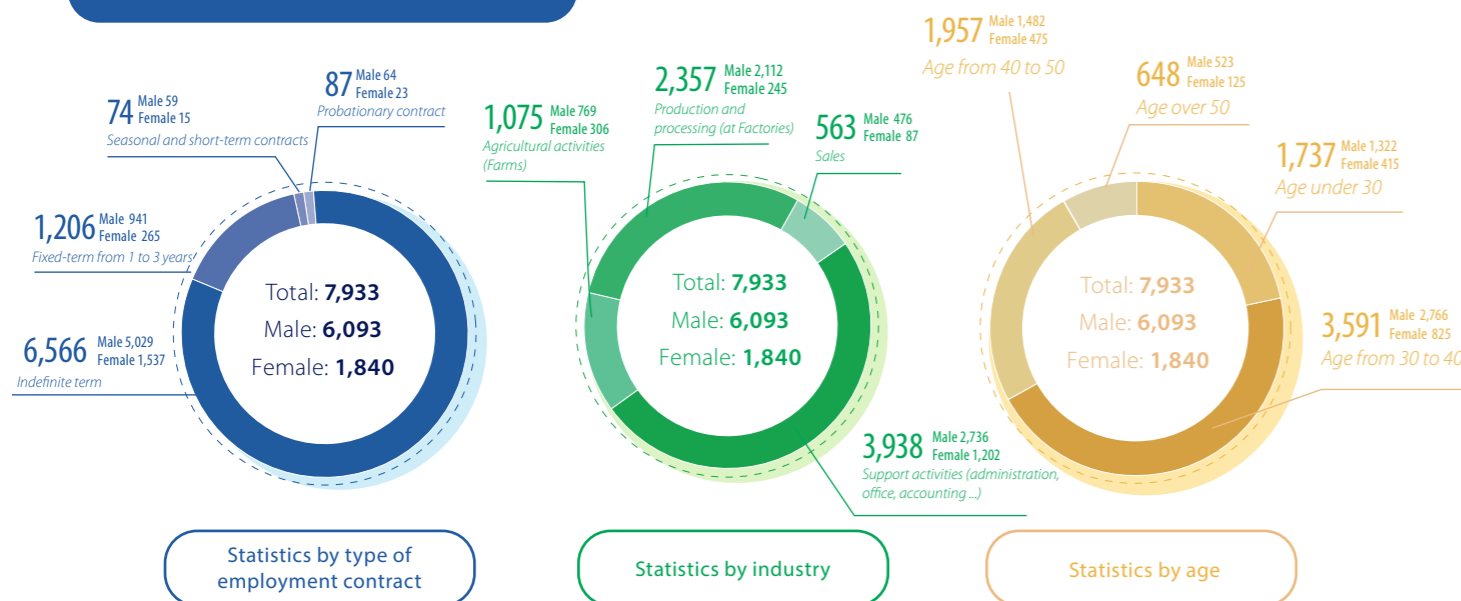
WORKFORCE RECRUITMENT TALENT ATTRACTION

In 2021, continuous waves of Covid-19 pandemic outbreak with complicated movement severely affected the economy, enterprises and workers. According to the General Statistics Office, the impact of the fourth wave of Covid-19 epidemic has made the employment situation in 2021 become much more difficult than in 2020. The number of unemployed workers of working age in 2021 was more than 1.4 million people, increasing by 203,700 people compared to 2020. The unemployment rate of working age was 3.22%, increasing by 0.54% compared to the previous year. Amidst the challenging context of epidemic prevention and control while maintaining production and business, Vinamilk still ensures jobs, salary and benefits for employees, and maintains a safe working environment, build the employee's cohesion with the Company.

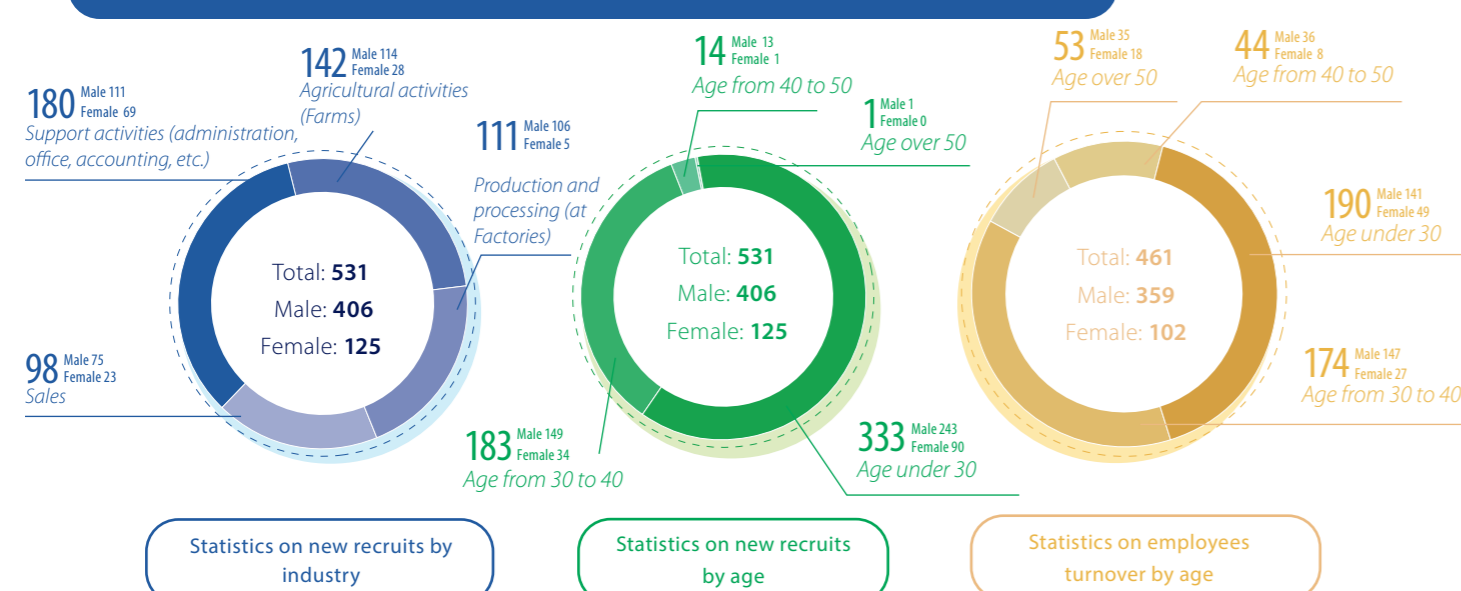
Qualified human resources serve as the foundation for the sustainable development. From the need for human resources with professional knowledge and skills, mastering global advanced technologies in dairy industry, Vinamilk has consistently invested in building a team of young experts in diverse industries such as: Milk processing technology and dairy products, Veterinary Inspection - Epidemiology, Technology line automation, Production, Business, Finance, etc.

The rate of newly recruited employees in 2021 accounted for 6.7%, of which young new recruits (under 30 years old) was about 62.7%, contributing to building a dynamic and potential workforce.

Statistics on the number of employees



Statistics on the number of newly recruited employees and employees turnover



INCLUSION AND COHESION WELCOMING NEW MEMBERS

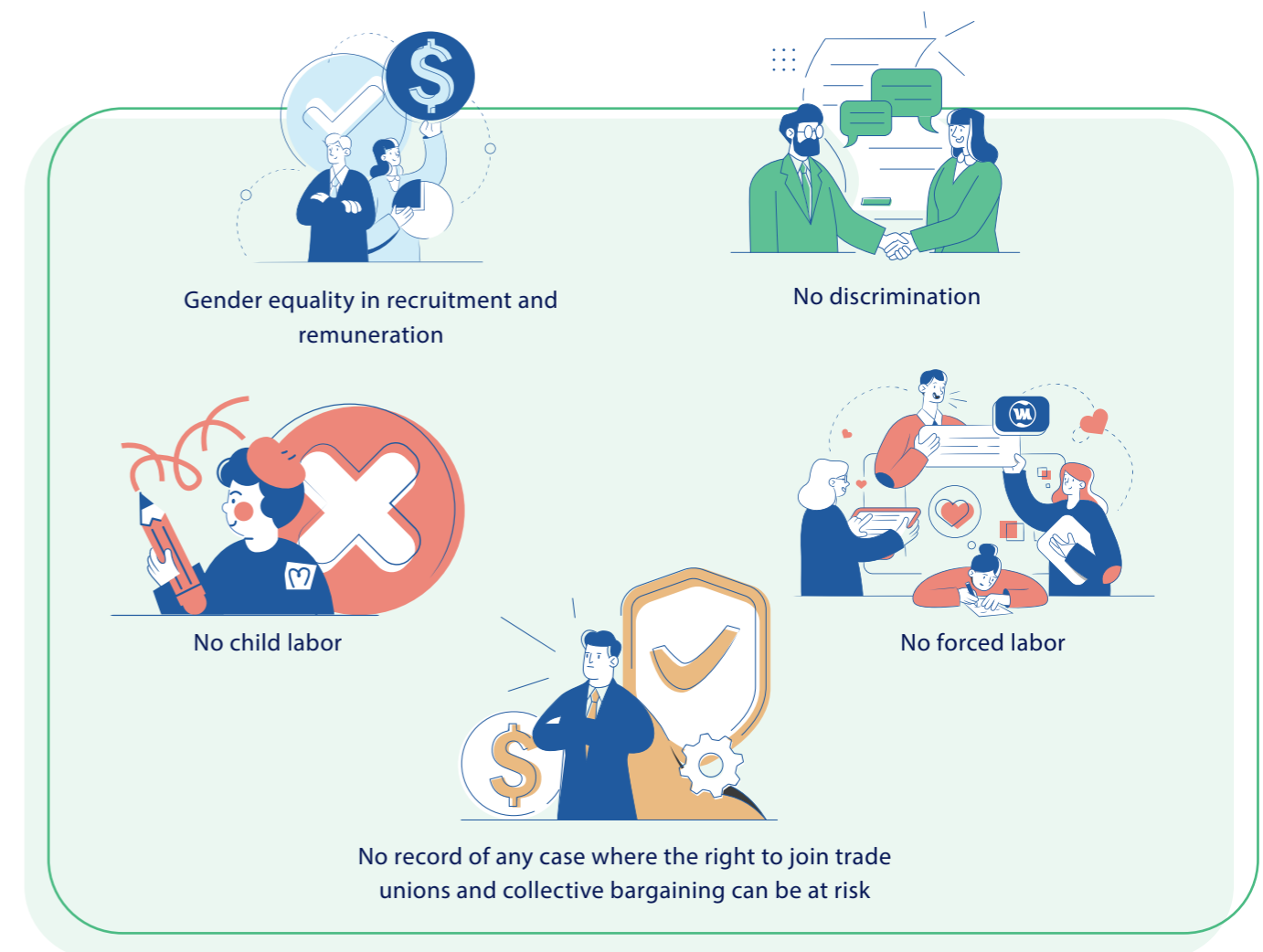
All new employees are welcomed to an Orientation Training Program so that they can quickly get acquainted and get on well with the new environment and job, and understand their rights and responsibilities.

In 2021, the Company developed an online Orientation Training Program for new employees, which has been officially implemented since 2022. The content of the induction training program is also adjusted and updated to ensure that adequate knowledge is provided to new employees to help them better integrate into the working environment.

The Orientation Training Program comprises important contents to provide general information about Vinamilk including: Foundation and development process; Vision, Mission, Core Values; Human resource policies; Information security regulations; Sustainable development orientation; Cultural principles, etc.

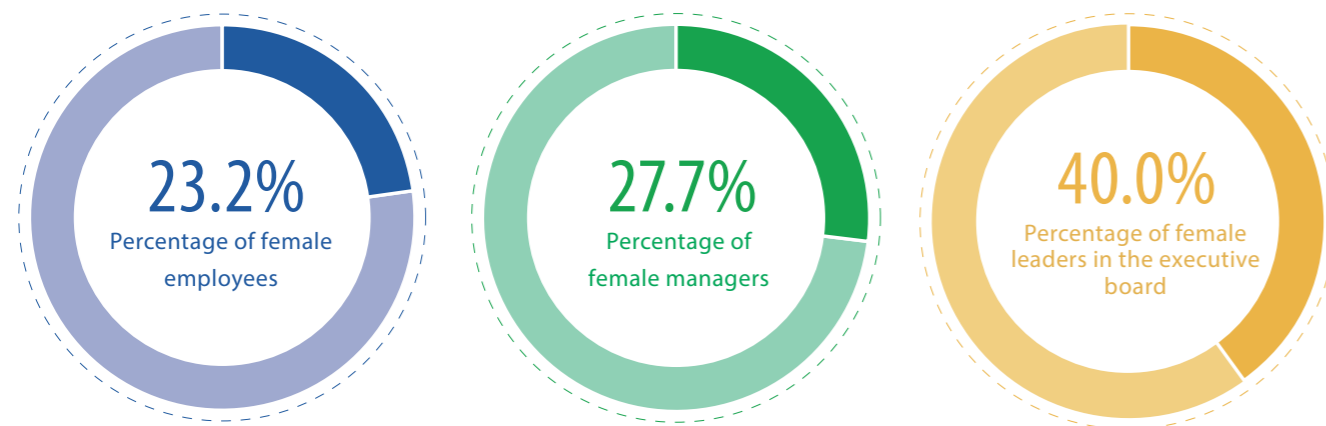


CREATING A DEMOCRATIC, TRANSPARENT AND FAIR ENVIRONMENT RESPECT FOR EQUALITY AND DIVERSITY





The Company is committed to implementing the gender equality principles in recruitment, employment, training, salary payment, remuneration, bonus, promotion, social insurance, health insurance, unemployment insurance, working conditions, occupational safety, working time, rest time and other benefits. In addition, the Company cares and offers certain incentives for female employees through the Regulations on policies and benefits for female employees.



RESPECT FOR DEMOCRACY AND TRANSPARENCY

Vinamilk developed Labor Internal Regulations, Labor Disciplinary Procedure and Democracy Regulations to ensure the implementation of democracy and transparency principles at the workplace:

- Goodwill, cooperation, honesty, equality, openness and transparency.
- Respect for the legitimate rights and interests of employers and employees.
- Not contrary to the law and social ethics.

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

- Situation of production and business performance.
- Internal rules, statutes and regulations with respect to the legal obligations, rights and interests of employees.
- Collective labor agreement.
- Resolution of Employees' Meeting.
- Setting up bonus and welfare funds.
- Deduction for payment of trade union fees and insurance premiums.
- Emulation, commendation and settlement of complaints and denunciations.

ANTI-FRAUD AND ANTI-CORRUPTION

• At Vinamilk, the anti-corruption communication and training is carried out through the following activities:

- Orientation training is provided to new employees to introduce the rules and regulations of the Company, including the content of the Code of Conduct, anti-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 employment contracts with the Company are trained about prevention of conflict of interest, anti-corruption and anti-bribery and sign commitments to comply with the Employment Contract Appendix with the Company.
- In 2021, employees involved in Risk Management have participated in the training course on "Strengthening knowledge on anti-corruption in the private sector in 2021" organized by the Inspector Training College, The Government Inspectorate of Vietnam.

PROTECTING THE VOICE OF EMPLOYEES

Through the Trade Unions

In first year of Vinamilk's establishment, the Trade Unions were established to maintain and protect "the voice" of employees in respect of their rights. In 2021, 30 Trade Union organizations at Vinamilk's Units actively operated and coordinated to implement:

- Deduction for payment of trade union fees and expenses.
- Cultural activities, physical training, sports, emulation and commendation and charity.
- Organize regular dialogues, Employees' Meeting and implementation of Democracy Regulations at each Unit.
- Actively coordinate with leaders of Units to take measures for the Covid-19 epidemic prevention and control at workplace, develop plans in accordance with the provisions of law at each locality from time to time.
- Visit, encourage and give gifts to trade union members and employees who attend "Stay at work" mode at the Units.
- Coordinate with the Social Insurance and Trade Union to support employees and employers affected by the Covid-19 pandemic (from Unemployment insurance fund, etc).
- Review the situation of trade union members' life, employment, salary, the implementation of regimes and policies for union members affected by the epidemic, visit and give gifts to union members and employees in difficult circumstances, suffering from occupational accident, illness.

Through the Compliance Committee

In addition to the Trade Union, Vinamilk set up the Compliance Committee to organize prevention and investigation of fraud and corruption cases and carry out anti-fraud and anti-corruption awareness raising activities.

Channels to receive feedback and denunciation about signs and acts of fraud and corruption:



• **Hotline: 0902 774 434**



• **Email: compliance@vinamilk.com.vn**



• **Sending letters and documents directly to the head office of the Company**



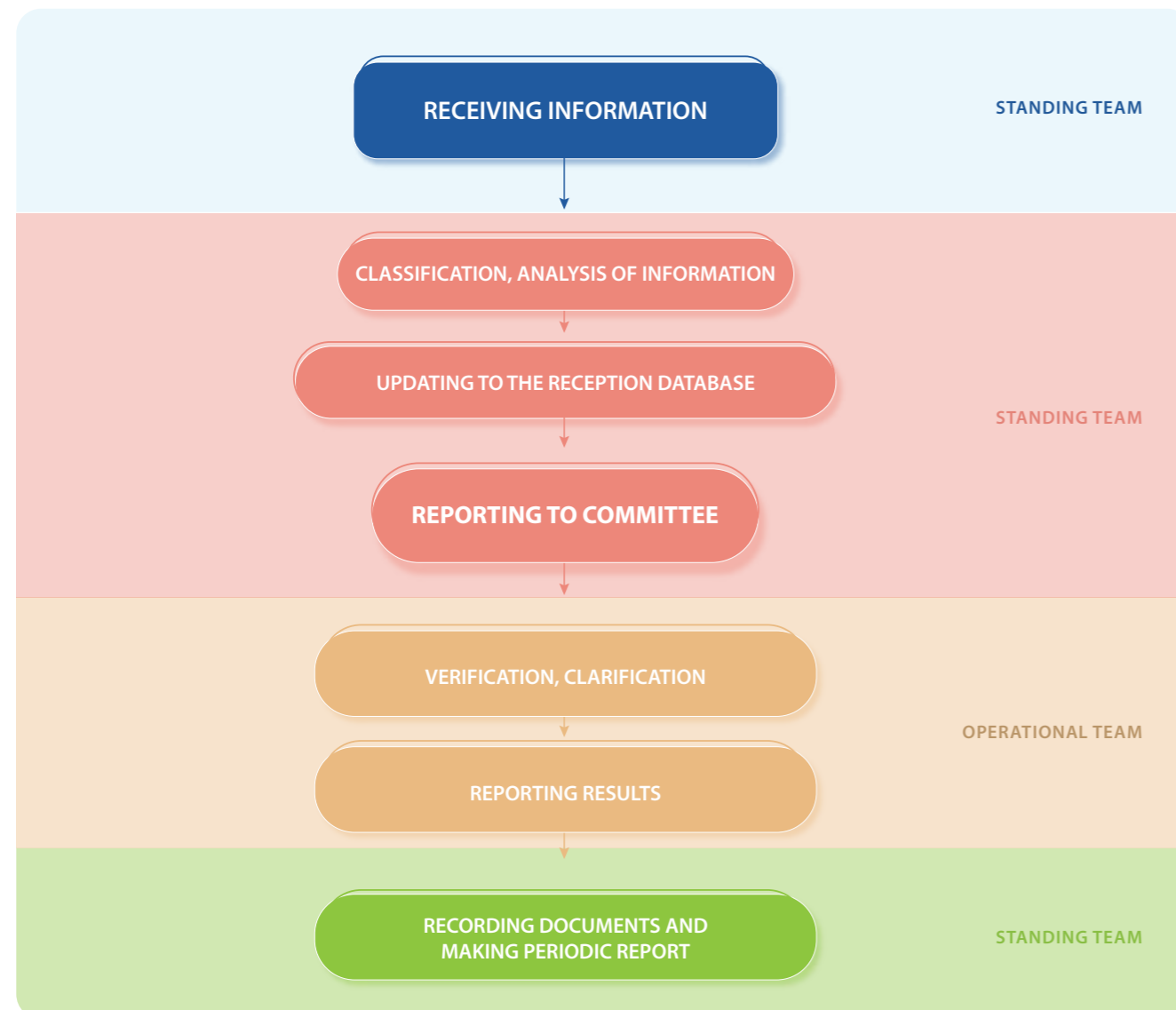
• **Calling, sending letters to members of the Board of Directors, Board of Management, Compliance Committee, etc.**



• **Internal audit**



The procedure for receiving and handling complaints and denunciations about fraud and corruption is built on the principles of objectivity, prudence, timeliness, confidentiality, thoroughness and transparency to protect the interests of employees. The principal steps comprise:



Through internal complaints mechanism

The internal rules for handling internal complaints are designed to receive employee's complaints regarding concerns, displeasure, nonconformity or any dissatisfaction encountered by employees at the workplace. This mechanism maintains the transparency and the right to raise complaints of employees at all level, and protects employees' rights and reputation.

The Company ensures that complaints are handled in an appropriate sequence through the steps including receiving, classifying, evaluating, verifying and making resolutions. The complaint settlement must comply with the general principles of Objectivity, Prudence, Timeliness, Problem Analysis, Cause Identification, Solution Determination, Confidential Information. Forms of internal complaints include filling "Complaint Form", sending a letter to the "Whistleblowing Mailbox" or direct meeting the Unit Director.



ASSURANCE OF REMUNERATION AND WELFARE REGIME

Remuneration regime

All employees of the Company (including top managers and senior leaders) receive remuneration according to the Company's Regulations on salary and bonus: 10% of profit after tax is deducted from the Bonus and Welfare Fund to reward employees based on performance evaluation; Providing benefits as agreed upon under the Collective Labor Agreement and spending on social activities, charity, community.

Every year, Vinamilk engages in Mercer market salary survey, from which Vinamilk will develop salary increase policies in line with the Company's business strategy. Salary scale system for each level of personnel and each specific job position is built and established by the Company from time to time, ensuring compliance with the provisions of the labor law, high consistency throughout the Company and market competitiveness.

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

- Job position
- Personal capacity/performance
- Work performance
- Business performance of the Company

In particular, during the waves of Covid-19 epidemic outbreak in 2021, Vinamilk still ensured the income and welfare of employees without reduction of wages and working hours; motivated and encouraged employees at work, maintained the economic and spiritual life of employees during the difficult and challenging period of the Covid-19 epidemic.

Employee Welfare Regime

Health care

- Social Insurance
- Health Insurance
- Unemployment Insurance
- Healthcare Insurance
- 24/24 Accident Insurance
- Periodic health examination

Life welfare

- Cultural - arts - sport activities
- Annual vacations
- Birthday, marriage gifts
- Gifts for employees' children: Children Day, Mid-Autumn Festival, Excellent student, etc.

Benefits for female employees

- Gifts for female employees: March 08, October 20
- Child care allowance
- Maternity allowance

Allowances and commendation

- Meal allowance
- Travel allowance
- Telephone allowance
- In-kind allowance for employees working in toxic environment
- Bonuses based on performance in the year
- Employee Stock Ownership Program (ESOP)



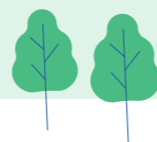


ASSURANCE OF OCCUPATIONAL SAFETY AND HEALTH

Vinamilk constantly aims to build and improve working environment, including facilities and cultural environment, in order to create favorable conditions for employees to maximize their capacity at work. The company assures to strictly and fully comply with the relevant provisions of the Labor Law and the Law on Occupational Safety and Health.

Vinamilk has implemented the occupational health and safety management system in accordance with ISO 45001 in all Factories, to control occupational safety hazards and to reduce the risk of injury and illness at the workplace, ensuring the health and safety of employees.

- Analyzing risks and hazards to include prevention measures into occupational health and safety management planning.
- Eliminating and controlling occupational health and safety hazards to establish operational control measures.
- Raising awareness of risks in occupational safety, educating employee's awareness and responsibilities in safety work, proactively detecting, preventing and giving opinion on working and working conditions, occupational safety and health.
- Establishing an occupational health and safety system management structure, as well as assigning and training full-time personnel in occupational safety and health.
- Organizing annual training courses for employees on occupational safety, environment, occupational health, fire prevention and fighting and first aid in case of occupational accidents, food poisoning and rehearsing emergency situations.
- Equipping and providing labor protection equipment for employees during their work.
- Equipping signs and regulations on occupational safety and health in production areas.
- Carrying out self-inspection, monitoring and evaluation of safety work daily, monthly and annually at each unit.
- Organizing annual health check-ups and examinations for all employees for detection of occupational diseases (or disease risks), etc.
- Testing equipment with strict requirements on occupational safety, fire prevention and fighting equipment on a periodic basis, and monitoring the working environment.
- Carrying out fire prevention and fighting inspection, risk assessment and supervision of contractors.
- Implementing periodic assessment programs (every 6 months) of occupational safety and health at the company level for all units.



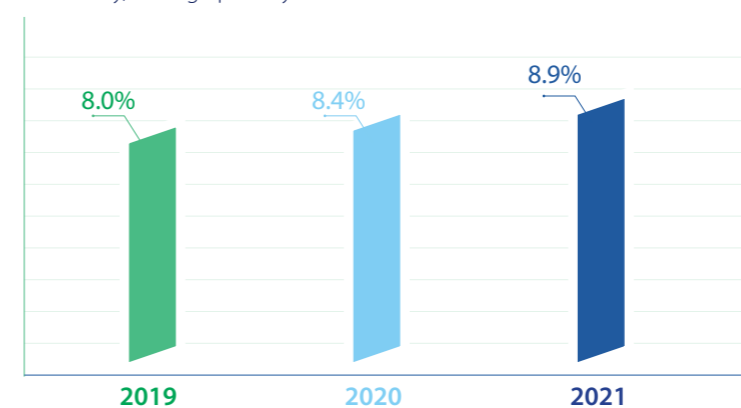
In 2021, Vinamilk continued to invest funds and arrange human resources in the field of occupational safety and health, especially the prevention of Covid-19 at the Units, in particular:

Regarding financial aspect

Invested **VND 17.17 billion** on deploying technical solutions on occupational safety and health, equipping personal protective equipment, training on occupational safety and health, **VND 8.29 billion** on periodic health examination fee and **VND 58.59 billion** on Covid-19 epidemic prevention and control, creating a safe environment for employees including Covid-19 testing expenses, equipment and supplies for "Stay at work" mode at Units, etc.

Regarding human aspect

Ensuring human resources in the management, inspection and supervision of occupational safety and health, setting up grassroots occupational safety and health councils, assigning full-time employees in charge of occupational health and safety, setting up safety and health teams:



Percentage of total workforce on Occupational Safety and Health Committees





Occupational Safety and Health Indicators

	2019	2020	2021
Occupational disease rate (a)	0.13	0.11	0.10
Occupational accident rate (b)	0.01	0.09	0.07

Assessment of the occupational safety and health situation in 2021

The occupational safety and health situation in 2021 has improved in a positive direction, as shown by the decreased indicators compared to 2020. The results were achieved because Vinamilk has implemented policies on improvement and focusing on employees' health and safety activities:

- Creating a safe working environment for employees, provide labor protection equipment, equipment to minimize cases of occupational diseases.
- Carrying out periodic health checks and appropriate rotation for cases of occupational diseases.
- Identifying occupational health and safety risks.
- Developing an effective occupational health and safety management system.

Regarding occupational accidents, in 2021, 1 case of serious occupational accident and 5 cases of minor injury occurred in the whole Company (in 2020: 2 severe cases and 6 minor cases, in 2019: 1 severe case).

Regarding occupational diseases, in 2021, 9 cases of occupational disease was recorded in the whole Company (2020: 10 cases, 2019: 10 cases).

Note

1. These indicators are summarized throughout the Company.
2. Percentages are based on Occupational Safety and Health Administration's standard (ISO 45001) practice on Occupational Safety and Health. In particular, the factor 200,000 is calculated as 50 working weeks with 40 hours per week per 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 using the following formula:

Number of occupational disease cases * 200,000/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) The occupational accident rate is calculated by the formula:

Number of injuries*200,000/Actual working hours

In which:

The injury cases listed are the cases of injuries, etc. during the working time, including cases recorded as occupational accidents and minor injuries such as skin abrasions/tears causing bleeding, mild soft tissue injuries, etc. 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 Division, such as skin abrasions/tears causing bleeding, mild soft tissue damage, etc. leading to leave from work.
- Severe injuries: injuries arising during the working process/time recorded in the records of the Health Division, resulting in loss or impairment of working capacity.

INTERNAL COMMUNICATIONS AND CONNECTION

In 2021, Vinamilk maintained internal communication activities to all employees, provided diverse, timely and accurate information on topics such as company culture, production and business information, and outstanding achievements and awards, internal cultural activities, communication for brands and e-commerce channels, communication on the Company's epidemic control activities, encouraged employees in the context of the epidemic, strengthened solidarity to overcome difficult times, etc.

Internal communication channels:

 **Email: hopthunoibo@vinamilk.com.vn**

 **Youtube: Vinamilk's internal news channel**

 **Website and mobile app: myVINAMILK**



BẢN TIN NỘI BỘ

myVINAMILK

**CHÚC MỪNG SINH NHẬT
45 NĂM VINAMILK**

BẢN TIN SỐ ĐẶC BIỆT | 20/08/2021





BUILDING SAFETY ENVIRONMENT DURING THE PANDEMIC

During the pandemic, “people” are the factor that create the power of enterprises, which is considered a key solution to help them overcome difficulties and be ready for the future. Being driven by the motto “Keeping health and safety of employees as the top priority”, Vinamilk’s Board of Directors deployed drastic policies combined with timely and flexible solutions to maintain the working environment in the context of epidemic prevention and control and encourages employees to work and dedicate with peace of mind, especially during the complicated outbreak of the Covid-19 epidemic in 2021.

Vinamilk made every effort in communication, awareness building, supporting working conditions, etc. protecting health and ensuring the rights of employees, orienting towards maintaining a positive and trusting spirit of employees to overcome difficulties, as well as ensure continuous maintenance of livestock, production, supply and transportation activities, maintaining the supply of Vinamilk products to the market as well as distribution to consumers.



Setting up a Covid response system

- Activate the Company’s Covid-19 Prevention Support Department, managed by the Management Board, which is available 24/7 to direct, advise and support the disease-related issues of the Company.
- Develop epidemic prevention and control procedures and regulations and Covid screening tool through infection risk screening questionnaires, surveys - promoting protective factors against the risk of disease caused by Covid-19.
- Identify urgent cases to make necessary decisions and actions. Build a support team to quickly handle infections and advise F0 treatment at home or at comgregate isolation facilities.
- Advise all cases related to Covid-19, organize zoning and prose recommendations on health, safety and nutrition. Ensure harmonious and effective professional support measures in line with the epidemic situation and state regulations.
- Set up a response team at Company - Unit - Division/Department Level to coordinate for timely action and prevention.
- Timely and continuously warn and provide information to all employees about the epidemic situation, prevention measures, information from the Ministry of Health, information from the Company.



Prevention and response actions

- Promulgate and apply 16 sets of professional support documents in the prevention of Covid-19 infection for employees and products.
- Establish a mechanism for tracing, reporting in case of suspicion, and coordinating with authorities to provide guidelines in case of infection or suspected infection.
- Strictly implement and control the implementation of epidemic prevention and control measures in accordance with regulations of the Ministry of Health, functional agencies and the Company, in particular: medical declaration, temperature check, etc.
- Equip employees with medical masks, antiseptic solutions, protective equipment, as well as nutritional products of Vinamilk to enhance their resistance and health.
- Carry out rapid tests for screening Covid-19 infection regularly at the Units.
- Register for vaccination for all employees of the Company, contributing to increase immunity and reduce health risks when infected.
- Implement “Stay at work” mode at units such as Farms, Factories, Raw Milk Centers, Logistics Enterprises.
- Arrange flexible working mode such as online working, dividing into shifts, etc. to enable employees to work most effectively during the period of isolation according to the Government’s Directives.

Survey results on employee satisfaction during Covid period

Direction of the Board of Directors

93.4%

Health protection measure for each employee

93.2%

Working condition support system

92.5%

Salary, bonus and benefits

89.6%





BUILDING COMPANY'S CULTURE



In addition to developing and fostering employees' knowledge and skills at work, Vinamilk also focuses on their physical and mental health, ensuring a balance between their work and life. The company regularly organizes team building activities to strengthen teamwork spirit, and create an atmosphere of harmony, friendliness and cooperation among members in the same division and department; among different departments, and units.

Sports activities

Sports festival to celebrate the 45th anniversary of Vinamilk's establishment, after-hours sports activities such as swimming, gym, yoga, jumba, etc.



Corporate culture activities

Contest for Finding New Ideas 2021 *"Your Idea - Our Success"*, Series of activities to celebrate the 45th anniversary of Vinamilk's establishment: Logo design, *"my Vinamilk"* Photo contest, New Year decoration contest 2021, online photo contest to celebrate the International Women's Day (on March 08), International Children's Day (on June 01), Vietnamese Women's Day (on October 20), etc.



COMPANIONSHIP FOR SUSTAINABLE CO-DEVELOPMENT

Vinamilk engages each member of the great family in its sustainable development journey. Since 2020, Vinamilk has linked employees more closely to the company's sustainable development planning process, marking the companionship through direct survey of all employees on Sustainable Development related aspects. Thereby, each member of the company will raise awareness and contribute to building orientations for Vinamilk's activities associated with Sustainable Development in the future.



According to the survey results in 2021, Sustainable Development related factors are considered by Vinamilk employees to be the most important with economic, social and environmental impacts on Vinamilk's operations, and Vinamilk needs to focus on:



Product safety
and quality



Working
conditions



Market
development



Water source
and quality



Waste
control

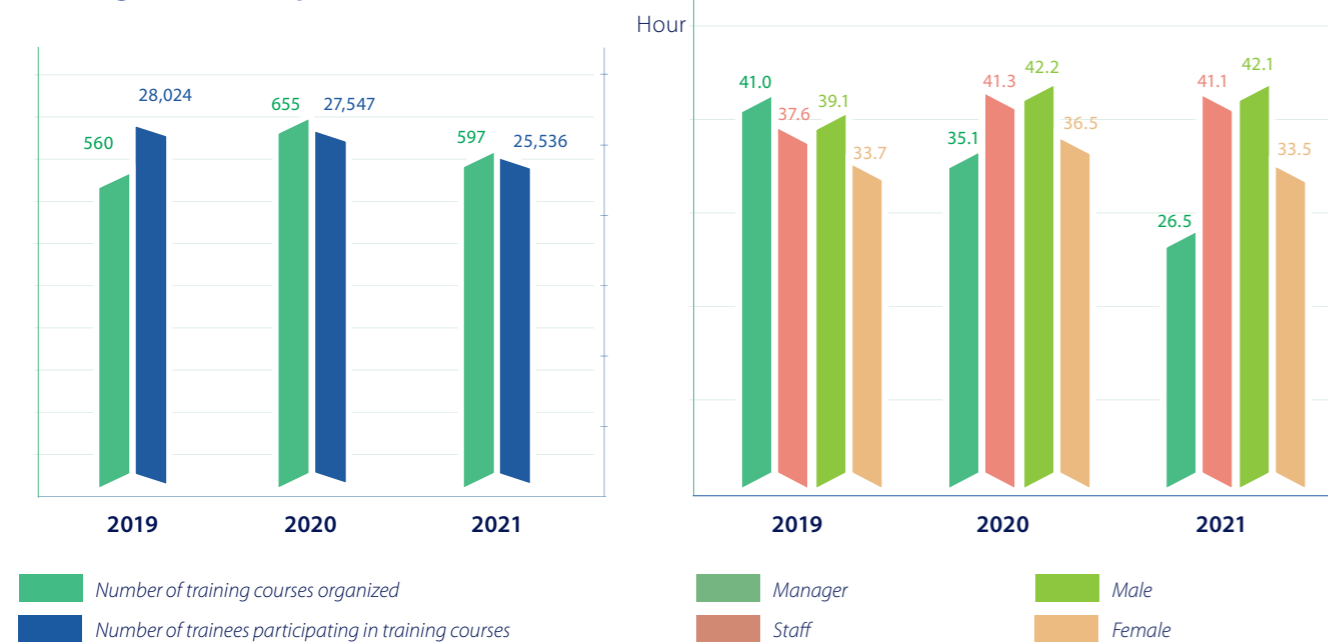


CAREER DEVELOPMENT

TALENT CULTIVATION

The Human factor is the key to Vinamilk's development strategy for impressive business performance over the years. In addition to the employee-oriented personnel policy and top-notch remuneration regime, the development and cultivation of talents is a "key card" for Vinamilk to ensure quality human resources and develop a team of successors in a new development phase towards the goal of Top 30 largest dairy companies in the world.

Training and Development Indicators



Number of training courses organized and Turns of trainees

Average training hours

The training at the Company ensures good quality and well equips employees with knowledge and skills in accordance with the provisions of law and applicable standards, contribute to improve human resource capacity for satisfying job requirements. In 2021, Vinamilk continued to organized 597 training courses with 25,536 training sessions.

The number of training courses organized throughout the Company and the number of trainees participating in training courses in 2021 decreased compared to 2020. The reason for the decrease is that the organization of training was affected by the complicated development of the Covid-19 epidemic when most provinces and cities had to implement social distancing for several months. Covid-19 epidemic situation only interrupted training in the first 4 months of 2020, meanwhile in 2021, the complicated situation of the epidemic lasting from May to September 2021 had a great impact on training activities of the company. However, the Company has made efforts to take some appropriate response measures to organize training such as:

- For training courses that cannot be conducted by online, the Company will divide the courses into many small classes with a maximum size of 30 people/class, complying with the regulations on distancing and other epidemic prevention measures such as checking temperature and disinfecting hands before entering class, wearing a mask during the course, arranging seats with a distance of 2 meters, etc.
- For training courses that can be conducted online: seek external training units which organize online courses, conduct internal training courses via online method.
- Provide additional training during periods when the epidemic was under control during the year.

Vinamilk always gives employees opportunities to improve their knowledge in all relevant fields of operation to maximize their potential. In the context of the Covid epidemic, the Company has flexibly implemented many different training forms including external training, internal training, online training courses, etc., through a variety of methods and equipped facilities as well as conditions to ensure employee health as well as maintain training and improve professional knowledge for the workforce.

Typical training courses organized during the year

Capacity building courses for managers



- Management Skills for Middle-level Managers
- Effective assignment skills
- 6 essential practices for team management

Expertise, operation and skill training courses



LEGAL TRAINING

- Updating the conditions in FIDIC construction contract
- Procurement
- Certificate of origin
- Intellectual Property



MEDICAL TRAINING

- Continuous medical expertise
- SARS-CoV-2 antigen test



PRODUCTION TRAINING

- Quality standards
- Energy management
- Production technology process
- Product quality management
- Occupational safety and health and food hygiene
- Safe equipment operation
- Electrical and chemical safety, etc.



FINANCE

- International Financial Reporting Standard (IFRS)
- Updating laws on tax and customs
- Specialized international payment operations
- Financial statement analysis



RAW MATERIAL AREA DEVELOPMENT

- Management of livestock, veterinary, warehouse, food safety systems in raw milk production
- Usage of antibiotics, anti-inflammatory drugs in livestock, treatment of dairy cows
- Ultrasound imaging techniques



PERSONNEL

- Power BI application in Building Human Resource Management Reporting System
- Improving organizational performance



SOFT SKILL

- Problem-solving skills
- Communication skills





TALENT INCUBATION

The talent development and management team building program for the Company through the Management Trainee program continued to be implemented in 2021. The program was an integral part of the Human resource development strategy, providing qualified input sources for the Management Team of the Company, in order to seek and develop young talents who are eager to learn, have logical and creative thinking and work in consistency with the Company culture. This program introduced new factors creating a positive motivation for the working environment in the departments; satisfying work demand of departments with expansion plans and the Company's projects.



43% OF MANAGEMENT TRAINEES FROM THE PROGRAM HAVE BECOME THE COMPANY'S MANAGERS

After the selection process started in August 2020, the Management Trainees officially joined the Company in March 2021. In the first two weeks, the Management Trainees participated in the Induction Program with to gain insight into the Company (development history, vision, mission, core values, etc.) and General Regulations along with market research & survey activities, factory and farm visits, which help the Management Trainees partly understand the actual operation of some key activities of the Company. Following the Induction Program is the process of rotating through at least 3 different Units for 17.5 months under the Rotation Plan for learning and development. So far, each Management Trainee has been rotated through at least 2 units, the average rotation time of each unit is from 1.5 - 6 months.

FUTURE PLANNING

The Succession Planning Program continues to be one of the team development programs that are of top concern at Vinamilk. In 2021, the Company continued to train existing candidates according to the existing Individual Development Plan (IDP). The Human Resources Division regularly discussed and updated with the Trainers, Line Managers and Candidates on the implementation and evaluation of the IDP implementation results of the candidates and proposed to increase the training sessions for the Trainers and the Candidates in order to improve the effectiveness of the training and help the candidates realize the benefits of the training.

In addition, the Company completed the re-evaluation for the candidates who have completed all the IDP periods, 80% of which was re-evaluated as Ready to be the successors. This is quite an impressive result, demonstrating the effectiveness of Candidate development as well as contributing to an increase in the percentage of positions with successors in the Ready group.



At the same time, the Company reviewed the list of positions and candidates for the Program and developed plans for positions to ensure sufficient inherited human resources according to the need of organization. Accordingly:

- Develop and implement key human resource development plans.
- Add a number of new positions according to the Company's development orientation.
- Seek and supplement candidates for key positions.
- Develop next individual development plan for existing candidates.

ASSESSMENT OF WORK PERFORMANCE

In order to increase the effectiveness of the monthly employee evaluation system, the Human Resources Division regularly coordinated with other departments to review and update the job evaluation criteria to match the actual work requirements and accurately reflect the results/performance of employees. Specifically, the Human Resources Division and the Domestic Sales Department reviewed the set of performance evaluation criteria of the Department and applied them in early 2021. Simultaneously, the Human Resources Division enhanced its control over the evaluation results of departments and the ratings to ensure the appropriate and accurate assessment. With respect to the annual assessment system for Managers, the Company continued to conduct assessment in both aspects including Assessment of Objectives (What) and Assessment of Competency (How), thereby serving as a basis for Managers to prepare development plans for the next year.

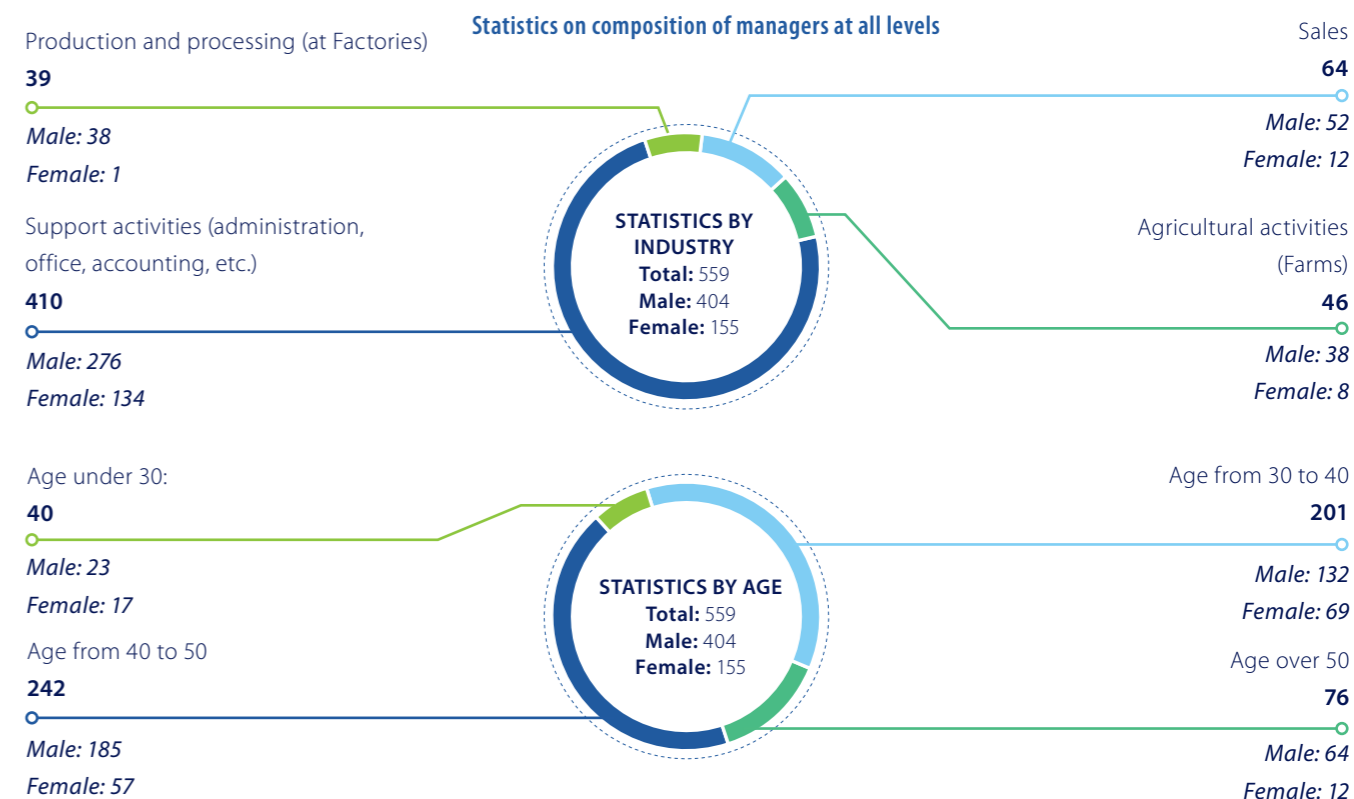
100% OF EMPLOYEES AND MANAGERS WERE SUBJECT TO PERIODICAL ASSESSMENT OF WORK PERFORMANCE



CAREER ADVANCEMENT



8% OF NEW MANAGERS WAS PROMOTED TO A HIGHER POSITION IN 2021





CREATING VALUES

INTERNAL SATISFACTION

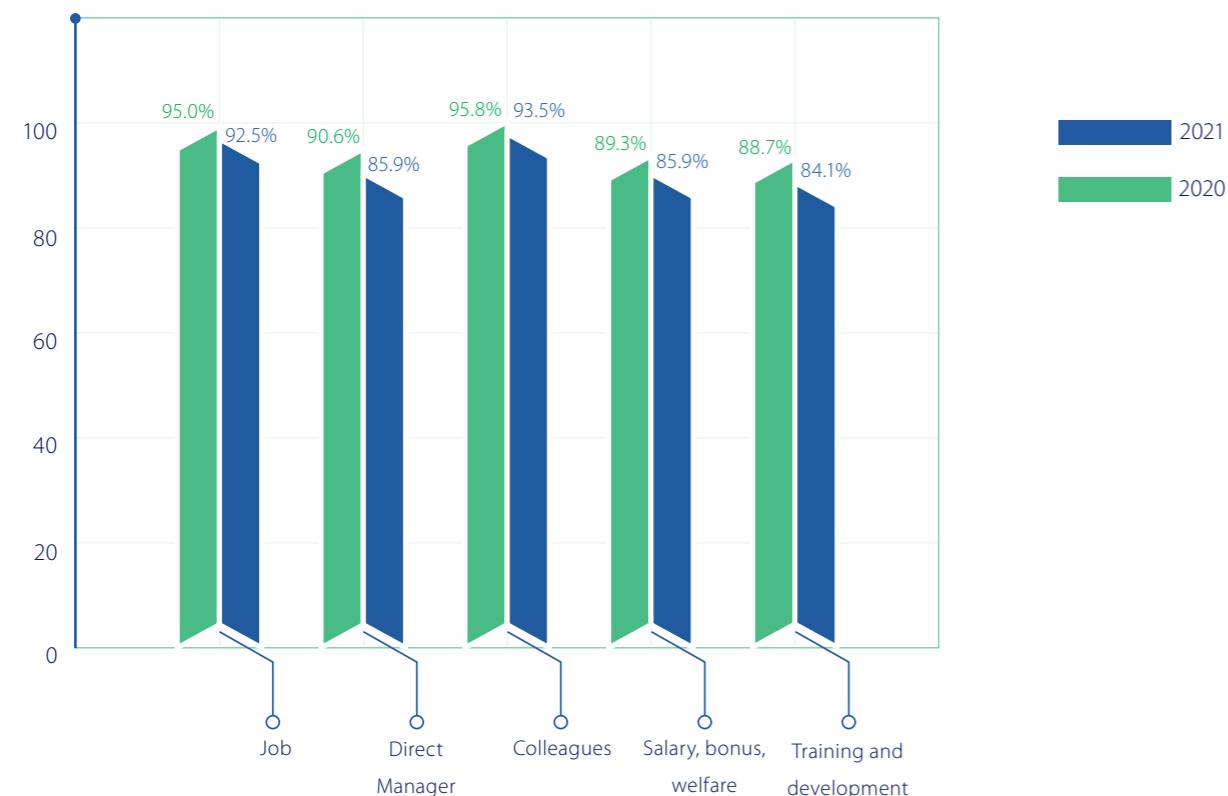
To firmly move forward and continuously improve on the journey of creating values for our employees, Vinamilk conducts annual employee surveys on several aspects in order to record employees' feedback and promptly identify points that need to be improved to strengthen the connection with employees.

Overall satisfaction rate of the whole Company (2021)

88.4%



Employee satisfaction rate by each aspect of the survey in 2021

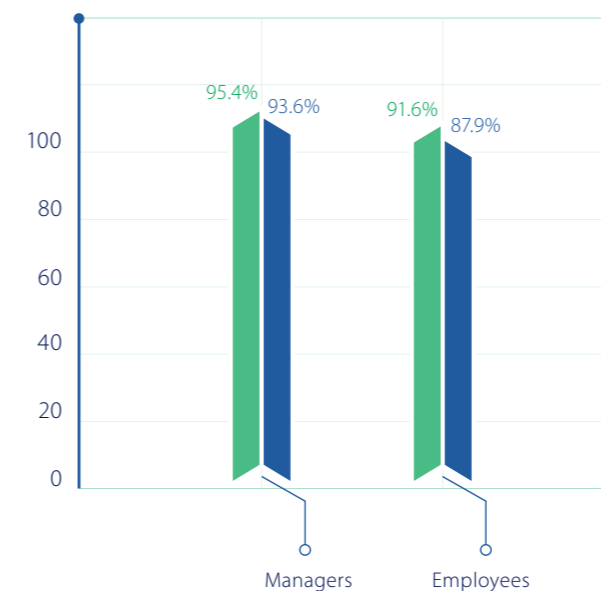


In 2021, due to the stressful and complicated developments of the Covid-19 epidemic, the Company's employees faced many difficulties, especially the pressure of working based on stay at work principles and achieving the dual goals of maintaining stable production and business while effectively preventing epidemics. In the face of difficulties caused by the epidemic, the Company quickly and promptly issued appropriate policies, regimes and action plans and implemented drastic measures to ensure the interests and lives of all staff and employees. As a result, despite a slight downward trend, the employee satisfaction rate of the whole Company in 2021 remained high degree of stability.

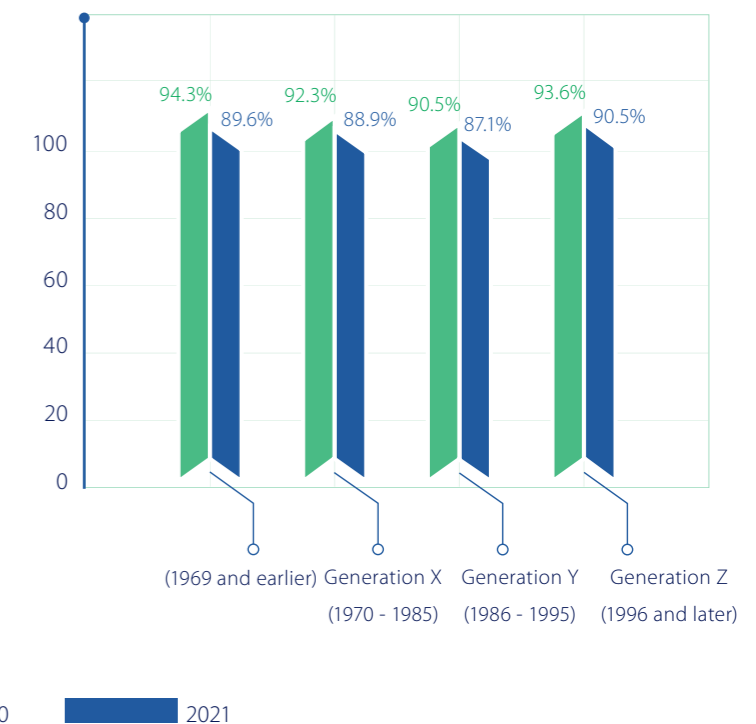
In 2021, the Company's average satisfaction rate reached **88.4% (decreased by 3.5%)**, the average engagement rate **decreased by 9.8% to 60.2%**. During the prolonged epidemic situation greatly affecting the work, life and spirit of employees, the employee satisfaction and engagement rate remained at a fairly high level, which indicates that Vinamilk is creating a safe and positive working environment for the staff and employees.

Among the satisfaction factors in annual statistics, the factors of **Job** and **Colleagues** at Vinamilk are always highly appreciated by employees. In 2020, the satisfaction rate of employees throughout the Company for the two factors **Job** and **Colleagues** reached **95.0%** and **95.8%**, respectively, by the end of 2021, these two factors were still recorded at a very high level of over **90%**, reaching **92.5%** and **93.5%** respectively. In addition, the factors of **Direct Manager**, **Salary**, **Bonus**, **Welfare** and **Training** and **Development** were also surveyed in 2021 and showed a slight decrease following the general trend, specifically, the employee satisfaction rate for the two factors of **Direct Manager** and **Salary**, bonus and welfare reached **85.9%** in 2021, decreased by **4.7%** and **3.4%** respectively compared to the previous year, while the **Training** and **Development** factor recorded the employee satisfaction rate at **84.1%**, decreased by **4.6%** compared to 2020.

Satisfaction rate (by level)



Satisfaction rate (by generation)



In addition, the survey results also indicate that the data on the satisfaction rate by each object group all decreased slightly but remained at a high level, including the division by **level (Managers and Employees)** and generation (**Baby Boomer, Generation X, Generation Y, Generation Z**), these target groups all recorded a decrease in satisfaction rate of **no more than 5%**.



COMPANIONSHIP FOR CREATING VALUES

Thanks to an advanced and employee-oriented labor policy, Vinamilk has maintained its leading position in the Top 100 Vietnam's Best Places to Work Survey for 3 consecutive years (2017-2020). Previously, Vinamilk was always ranked among Top 3 leading companies from the first survey season (2013), according to the annual survey of Anphabe career network.

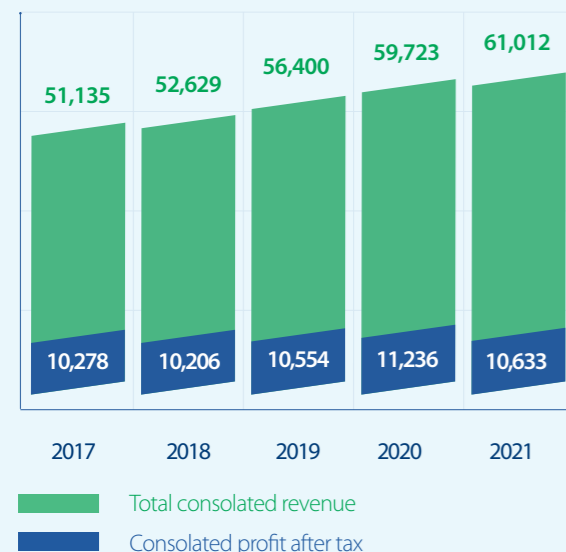
Since 2021, in order to share and practically contribute to building a better working environment for the business community in Vietnam, Vinamilk has officially joined with the new role **"Companion Partner"** of the Vietnam's Best Places to Work Survey. With this role of partner, Vinamilk wishes to support the Organizing Committee in expanding the survey scale and introducing good workplace models more widely in the business community in Vietnam, thereby bringing the values to employees - a very important element of sustainable development. Employer brand indicators will be an important measure for enterprises to assess their strengths and weaknesses from the perspective of a workplace in the eyes of employees and target talents. Combined with voting, as usual, the survey also pioneers in-depth research into important human resource and working environment trends, so this is always a desirable source of information for the leadership and HR community every year.

Vietnam Best Places to Work



Shareholders and Investors



VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY
STOCK CODE: VNMBusiness operation efficiency
(VND Billion)

SUSTAINABLE GROWTH (2021)

VINAMILK MARKET

INCREASED **0.9%**

Dominant position

IN KEY PRODUCT LINES SUCH AS

Liquid Milk, Yoghurt, Drinking Yoghurt, Condensed Milk

IN THE TOTAL MARKET SHARE
VALUE OF THE WHOLE DAIRY
INDUSTRY IN VIETNAM

DOMESTIC NET REVENUE

VND **51,202** BILLIONINCREASED **0.7%**

DIRECT EXPORT NET REVENUE

VND **6,128** BILLIONINCREASED **10%**

NET REVENUE OF FOREIGN BRANCHES

VND **3,589** BILLION INCREASED **11%**

TOP 36
THE WORD'S TOP DAIRY
PRODUCERS IN TERMS OF
REVENUE *

TOP 10
MOST VALUABLE GLOBAL
DAIRY BRANDS **

TOP 3
MOST POTENTIAL DAIRY
BRANDS OF THE WORLD DAIRY
INDUSTRY **

TOP 30
MOST VALUABLE GLOBAL
FOOD BRANDS **

TOP 5
STRONGEST GLOBAL FOOD
BRANDS **

VINAMILK'S BRAND VALUE IS

USD 2.4 BILLION
-According to Brand Finance



**VIETNAM'S
BEST - PERFORMING
COMPANIES IN 2021 *****

* According to Plimsoll (UK) in March 2021

** According to the report of Brand Finance (UK) in 2021

*** Voted to Nhip Cau Dau Tu Magazine

THE LARGEST FARM SYSTEM IN ASIA

13 DAIRY FARMS CERTIFIED WITH
GLOBAL G.A.P STANDARD IN
VIETNAM

INCLUDING

3 DAIRY FARMS SATISFYING EU ORGANIC STANDARD**2** DAIRY FARMS SATISFYING CHINA ORGANIC STANDARD

TOTAL HERD OF COWS ****
MORE THAN **160,000**
COWS

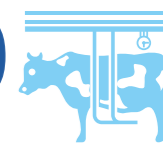


BUILDING A COMPLEX OF ORGANIC DAIRY
FARM IN LAOS - Phase 1

Scale of **5,000**
hectares



Herd of cows **24,000**
heads



**** Including cows at Vinamilk's farms, Mocchau Milk's farms and partner dairy farmers.

LEADING THE DAIRY INDUSTRY IN VIETNAM

DOMESTIC FACTORIES

13

OVERSEA FACTORIES

2

WIDE SALE DISTRIBUTION SYSTEM

IN VIETNAM

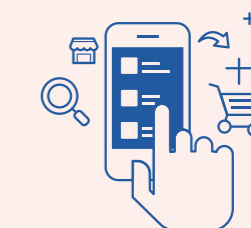
NEARLY **600** "GIAC MO SUA VIET"
STORES



NEARLY **200**
DISTRIBUTORS



NEARLY **250,000**
POINTS OF SALE IN VIETNAM

VINAMILK E-SHOP
GIAC MO SUA VIET

IN FOREIGN COUNTRIES



57 ACCUMULATED EXPORT
COUNTRIES AND TERRITORIES

2 NEWLY DEVELOPED MARKETS IN
THE AMERICAS AND ASIA



TRUST AND COMPANION WITH VINAMILK

As a leading enterprise in the dairy industry in Vietnam, Vinamilk is also the typical enterprise for professionalism, information transparency and trust maintaining with shareholders and investors.

ENSURING SHAREHOLDERS RIGHTS AND BENEFITS

Financial interests



VINAMILK DIVIDEND POLICY
AT LEAST **50%** OF CONSOLIDATED
PROFIT AFTER TAX

DIVIDEND PAID IN 2021
VND **7,524** BILLION

In 2021, despite unpredictable fluctuations from the "Covid-19 storm", Vinamilk firmly held the steering wheel to overcome the storms and accomplish the planned business goals. In 2021, total consolidated revenue reached VND 61,012 billion, increasing by 2.2% over the same period and consolidated profit after tax reached VND 10,633 billion. This is a very remarkable result in a tumultuous year.

TOTAL CONSOLIDATED REVENUE
VND **61,012** BILLION
INCREASING
BY **2.2%** COMPARED TO
THE SAME PERIOD
LAST YEAR



CONSOLIDATED PROFIT AFTER TAX
VND **10,633** BILLION



UNINTERRUPTED SALES
ACTIVITIES THROUGHOUT
63 PROVINCES

DOMESTIC REVENUE
VND **51,202** BILLION

INCREASING
BY **0.7%** COMPARED TO
THE SAME PERIOD
LAST YEAR



With respect to the domestic business segment, in the context of the complicated Covid-19 epidemic situation, despite implementation of strict disease prevention and control measures including blockade, isolation, travel restrictions, etc, Vinamilk still maintained its uninterrupted sales activities throughout 63 provinces and cities with a large distribution system in all conventional and modern sales channels. Thanks to many unremitting efforts, domestic revenue recorded a positive result with VND 51,202 billion, increasing by 0.7% over the same period.

In respect of the international business segment, the challenges posed by the global Covid-19 epidemic have created opportunities for Vinamilk to demonstrate its position and capacity in the export business. Export activities still successfully achieved the year plan with revenue of VND 6,128 billion, increasing by 10% compared to 2020; export volume also increased by 9.4%, reaching about 45,000 tons. During the year, in International business segment, 2 new markets were developed in the Americas and Asia, increasing the total number of accumulated export markets to 57 countries and territories with total accumulated export turnover of more than USD 2.6 billion.

IN 2021

EXPORT REVENUE
VND **6,128**
BILLION



↑ **10%** COMPARED TO THE
SAME PERIOD
IN 2020

EXPORT VOLUME
REACHES ABOUT **45,000**
TONS

↑ **9.4%** COMPARED TO THE
SAME PERIOD
IN 2020

TOTAL NUMBER OF
ACCUMULATED EXPORT
MARKETS
57 COUNTRIES AND
TERRITORIES



TOTAL ACCUMULATED
EXPORT TURNOVER
MORE THAN
USD **2.6**
BILLION

Thus, despite facing many unpredictable disturbances, Vinamilk boat still persevered through the Covid-19 "storms", firmly moved forward and ensured financial interests for its shareholders and investors in 2021.





Non-financial rights and benefits

Vinamilk always treats fairly and appropriately, and protects the rights of shareholders and investors of the Company. Shareholders' rights are clearly stipulated in the Company's Charter and protected by Vietnamese law.

THE COMPANY WITH BEST CORPORATE GOVERNANCE
AND TRANSPARENCY IN 2021

PLATINUM GRADE



The Global Good Governance Award

(Within the framework of The Global Good Governance)

Awards 2021)



Listed corporations with the highest rated investor relations activities by financial institutions in 2021 - large-cap group (IR Awards 2021)

Information transparency

- Compliance in declaration of conflicts of interest for managers and suppliers.
- Compliance with regulations on information disclosure to related parties. Disclosure of information of enterprises, production and business, etc. in an accurate, transparent and timely manner.



- Preparing and providing quality Financial statements, Corporate governance reports, Annual reports, Sustainable Development reports, with truthful and reasonable information, in compliance with relevant regulations and standards.
- Disclosure of information in bilingual (Vietnamese and English) for shareholders and foreign investors to update information as quickly and conveniently as possible.

Contacting and communicating with Shareholders and Investors



- Organizing online General Meeting of Shareholders in April 2021.
- Regular meetings with investors and Board of Management.
- Updating quarterly business results.
- Sending press releases and presentation documents on quarterly business results.
- Organizing meetings to answer questions about production and business activities at the request of investors.
- Updating news on production and business activities via email.
- Attending investment seminars organized by leading domestic and regional securities companies such as SSI, HSC, VCSC, VCBS, Maybank, Credit Suisse, JPM, UBS.

Vinamilk has set up the Investor Relations Division, specializing in investor relations, ready to receive and response to Shareholders and Investors. Contact information of the Investor Relations Division is available on the Investor Relations section on the Company's website: <https://www.vinamilk.com.vn/vi/quan-he-co-dong>



IN 2021

ORGANIZED
MORE THAN

200

ONLINE MEETINGS WITH EXISTING AND
POTENTIAL INVESTORS



ADVANCED CORPORATE GOVERNANCE

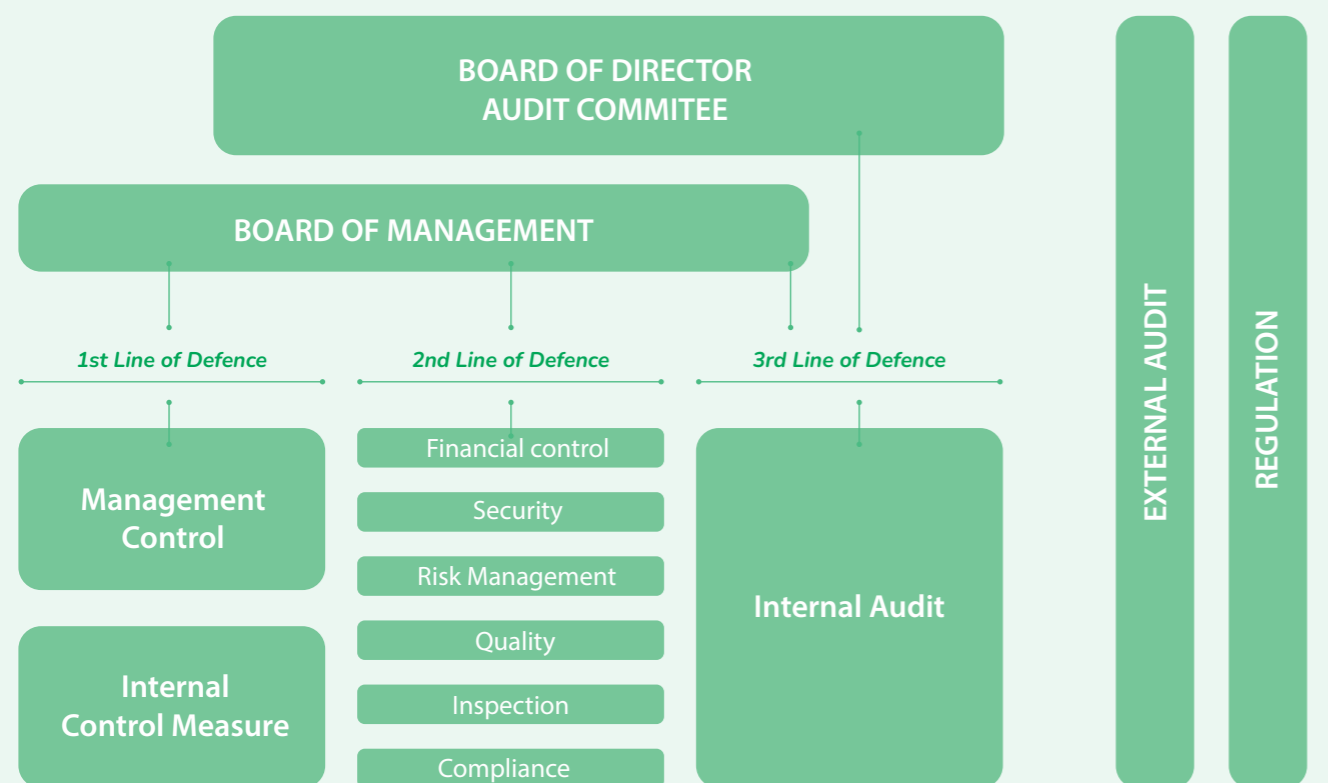
In 2021, facing many unprecedented challenges in the economy and society in the world and in Vietnam, an effective corporate governance foundation plays an important role in leading enterprises to firmly overcome the strong waves, maintain continuous operations, be ready to deal with hidden unknowns that may arise in the future and seize opportunities for sustainable growth.



TOP 5 **Best corporate governance companies in 2021**
(According to VIOD's Listed Companies Voting Program 2021)

TOP 50 **Best listed companies in 2021**
(By Forbes Vietnam Magazine)

Vinamilk continues to improve its advanced governance model through committees under the Board of Directors, in which, the Audit Committee is mainly responsible for reviewing financial statements, internal control system, risk management, control compliance, and supervising the internal and external audit activities of the Company and its subsidiaries.



ACTIVITIES OF LINES OF DEFENCE IN 2021

Audit Committee

In 2021, despite the impact of the Covid-19 epidemic on Vinamilk's Board of Directors, the Board still ensured the organization and implementation of activities according to the content specified in its Charter, Internal Regulations on Corporate Governance in the most compliant, appropriate and effective manner. On the principle of results-oriented, flexibly applying best practices, the Audit Committee supported the Board of Directors in performing the supervisory function of the Board of Directors under its quarterly plans and assignments of work with main activities in 2021 as below:



- Reviewed the financial situation and financial statements, prepared and disclosed in accordance with the accounting standards and the provisions of the current law.
- Improved the internal control system, upgraded the risk management system and improved the operation of the Internal Audit. The apparatus and methodology of Internal Audit were supplemented and modified with a view to meeting the needs of the whole corporation.
- Assessed and selected of the Company's independent auditor for 2022 to propose at the Annual general meeting.

Internal control system

Vinamilk continued to maintain a reliable and effective internal control system in 2021, with outstanding control activities:

- Updated, reviewed and streamlined the Company's management document system.
- Supported in development of document control system for subsidiaries and joint ventures such as Moc Chau Milk, GTN, Vilico, Vibev, etc.
- Deployed Online signing system for the Company and Subsidiaries in Vietnam.
- Upgraded the Online approval system for the Company and applied to domestic and foreign subsidiaries and joint ventures including Moc Chau Milk, VietSugar, Vibev, Lao-Jargo, etc.
- Upgraded the Online bidding system, applicable to all bidding packages, throughout the Company.





Quality standard control system

Believing that quality is always the goal and guideline in all operations of enterprises to help them constantly affirm their position in the trust of customers, Vinamilk always puts quality on its top priority and constantly strives to reach higher levels with the desire to bring customers quality products that exceed their expectations. Vinamilk's quality management system is continuously developed and perfected by a combination of controls designed on the basis of risk analysis while integrating requirements, standards and modern control tools.

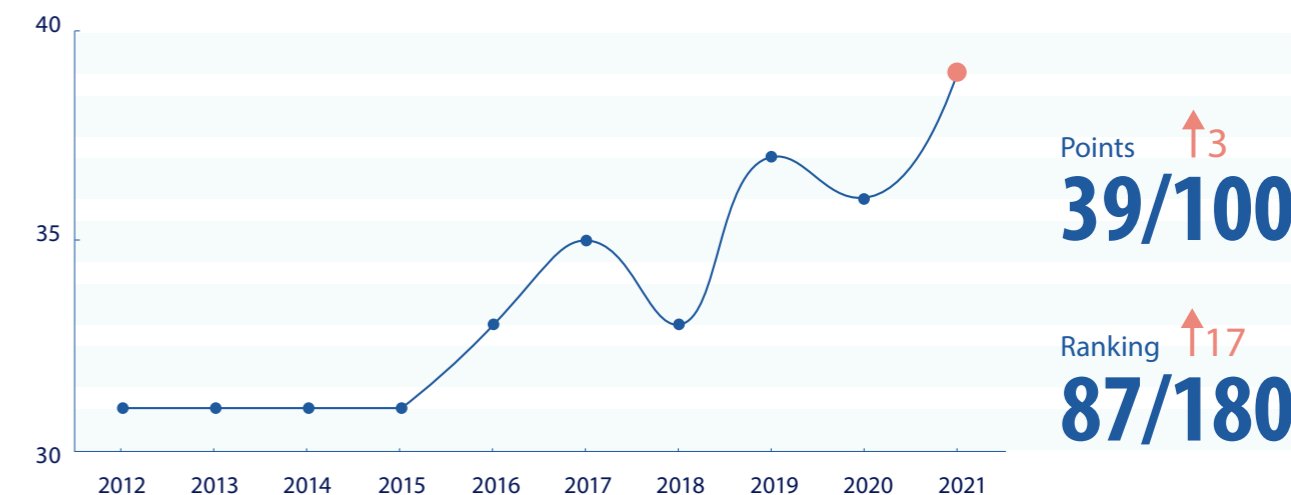
The company's quality system is established and managed on the principles of ISO 9001:2015 with the integration of other tools/ standards such as FSSC 22000, ISO 14001, ISO 17025, ISO 45001, ISO 50001, ISO 27001, etc. This integration assures that specialized areas are effectively implemented and managed, while still aiming to continuously improve the system in a comprehensive manner.

In 2021, the management system at Vinamilk operated in accordance with these standards. Especially in the context of the Covid epidemic outbreak, despite strict epidemic prevention and control measures such as blockade, restriction of travel and gathering, all Vinamilk's standards were successfully maintained and certified through direct or online assessment.



Compliance control system

In 2021, Vietnam reached 39/100 points of Corruption Perception Index (CPI) as announced by Transparency International, increasing by 3 points compared to 2020, ranking 87 over 180 countries and territories. This was also the highest CPI score of Vietnam in the period of 2012-2021. In these 10 years, in general, Vietnam's CPI improved from the lowest level of 31 points (in 2012) to 39 points (in 2021).



Joining hands with the government in the fight against fraud and corruption, Vinamilk has developed Regulations on Anti-Fraud and Anti-Corruption and established a Compliance Committee, consisting of members of the Board of Directors and chaired by the Chief Executive Officer.

The Compliance Committee is responsible for organizing the prevention, propaganda, investigation, detection and recommendation on handling cases of fraud, corruption, conflicts of interest and other acts contrary to Code of conduct and Core values of the Company, promoting and enhancing transparency, equality and fair competition for stakeholders in all production and business activities of the Company.



Regarding the functional structure

- The Audit Committee monitors compliance issues.
- The Compliance Committee manages information and deals with Fraud - Corruption issues.
- The Legal Division maintains the value of compliance 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.
- Process of receiving and handling information on complaints and claims about Fraud - Corruption.



Internal Audit activities

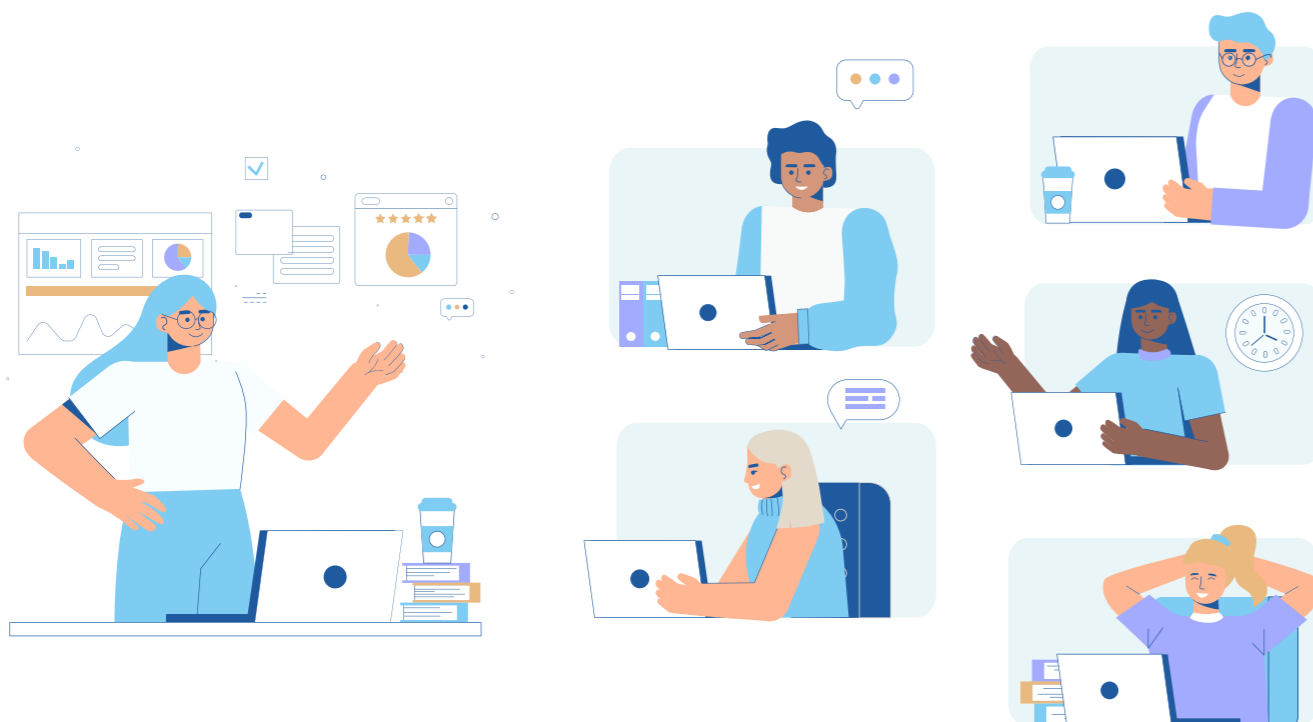
Internal Audit is an independent department to support the Board of Directors through the Audit Committee by assessing and improving the effectiveness of risk management, internal control and governance processes. The Internal Auditor reports directly to the Audit Committee and is functionally subordinate to the Chief Executive Officer. This organizational structure and reporting relations enable the Internal Audit to perform its duties and responsibilities objectively and independently.

The Internal Audit function is operating effectively, significantly contributing to the improvement of the internal control system and risk management. In 2021, the Internal Audit personnel structure was perfected to assure sufficient resources for performance of the assigned tasks.

Regarding the profession, the Internal Audit maintains a position and method of operation that is close to good practices and international standards on Internal Audit, and is consistent with the provisions of laws and guidelines on Internal Audit issued by the Ministry of Finance. The shift in priority orientation from compliance audit to supporting and consulting units in risk management and internal control has brought positive results and continues to be maintained in the past years and in 2021.

Activities of Internal Audit in 2021

- The Internal Audit accomplished the annual audit plan approved by the Audit Committee and the Chief Executive Officer according to the expected schedule and resources.
- The internal audit results indicate well compliance in the audited units. The majority of detected issues and associated risks are assessed as low risk and minor issues.
- The recommendations of the internal audit were received and implemented seriously and promptly by the relevant units through specific implementation plans and monitored by the internal audit.



ACCOMPANYING IN CREATING GREEN VALUES

In light of profound impact of Covid-19 pandemic on all aspects of the economy and society, etc. in the world as well as in Vietnam, the trend of sustainable and responsible investment attracts more and more attention from regulatory agencies, investment funds, organizations and markets. The keyword “sustainable development” and sustainable business-governance model are mentioned as an effective vaccine to strengthen the immune system of enterprises and help them overcome difficulties, recover and create common values for a better and more sustainable community. The practice of the Vietnamese business community has shown that enterprises have developed their own governance model towards sustainable

development, have found opportunities to break through, overcome difficulties, ensure employment for employees, expand the market, and contribute to the national budget and growth.

Realizing that sustainable development is no longer an “option”, but an imperative task for enterprises, Vinamilk has shown its steadfastness towards sustainable development goals. Investment in Vinamilk means an investment in sustainable surplus values for Shareholders and Investors. Vinamilk appreciates and seeks improvement opportunities through sharing of advanced Sustainable Development trends and practices from Shareholders and Investors to build a more sustainable community.

SUSTAINABLE DEVELOPMENT ENTERPRISE

In order to go further on the strategic path of Sustainable Development, Vinamilk joined Vietnam Business Council for Sustainable Development (VBCSD), which brings together the leading enterprises in Sustainable Development in Vietnam, committed to the goal of promoting the Sustainable Development roadmap in the country and contributing to the common efforts of businesses around the world. VBCSD aims to support and promote the implementation of the Sustainable Development Strategy in Vietnam, facilitate the sharing of experiences and best practices, strengthen close coordination and dialogue among the business community, Government and social partners to promote sustainable development.

In 2021, Vinamilk continued to maintain the high rank in the **Top 10 Sustainable Development Enterprises in Vietnam in the manufacturing sector** under the framework of the CSI 100 Program of the VBCSD. This was also the 6th consecutive year Vinamilk has been honored by CSI 100, showing Vinamilk's efforts and commitment in realizing the orientations and goals of sustainable development in the long-term strategy.

THE **6TH**
CONSECUTIVE YEAR

TOP 10 Sustainable Development Enterprises in Vietnam in the manufacturing segment



By achieving a high rank, Vinamilk affirms its prestige and brand, increases the trust of partners, investors and shareholders, and contributes to sustainable business development. Enterprises in the Top 10 of CSI100 are highly appreciated for their outstanding achievements in key aspects of sustainable development including reduction of emissions and waste; application of circular economy in production; sharing values with the community, while ensuring employment and maintaining safe production for workers.

In order to achieve the highest rank in the list of sustainable enterprises in Vietnam, Vinamilk has constantly strived to meet the rigorous screening criteria based on the CSI Sustainability Enterprise Index and took the lead in the implementation of sustainable development initiatives. With a passport named CSI, the “capital” of an enterprise will not be limited to financial capital, but will be further enhanced by “social capital – the trust in enterprise”.



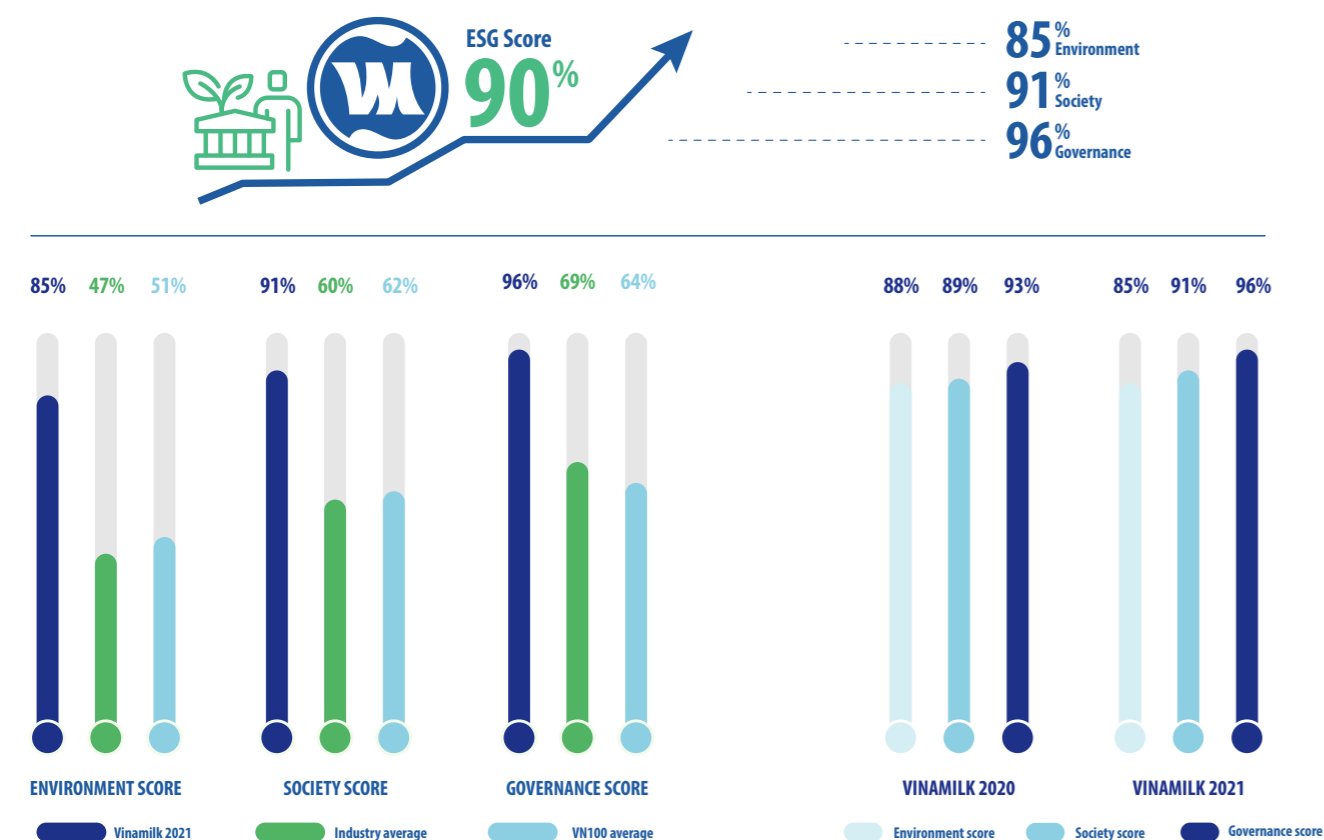
GREEN STOCK BASKET – VIETNAM SUSTAINABILITY INDEX (VNSI-HOSE)

Currently, the investment trend for the Sustainable Development Criteria group including Environment - Society - Corporate Governance (ESG) attracts more and more attention from regulatory agencies, investment funds, organizations and markets. Therefore, enterprises that strive to promote sustainable development, demonstrate their commitment and progress in achieving responsible investment standards as well as realizing the United Nations' sustainable development goals (SDGs) in Vietnam will have more opportunities to attract domestic and foreign investment.

Vinamilk is among the leading enterprises and is highly appreciated by investors for applying ESG criteria in business operations. Vinamilk has been showing positivity in practicing ESG criteria to firmly stand in a volatile period and orient towards long-term sustainable development.

In 2021, Vinamilk continued to maintain its position in the top 20 VNSI green stocks (continuously since 2017), with a total ESG score of 90%, proving the Company's sustainable development orientation, reflecting its serious efforts to contribute to eliminating negative impacts on the environment and society, accelerate the transition to an eco-friendly economy, reduce the ecological footprint and combat climate change.

Vinamilk's ESG score in all respects is higher than the industry average and VN100 average



Vietnam Sustainability Index (VNSI) was officially introduced by the Ho Chi Minh City Stock Exchange - HOSE in July 2017, with a composition of 20 listed companies with best Governance - Society - Environment practices. The VNSI Index shows the investment efficiency of sustainable stocks and attracts international institutional investment funds operating under responsible investment principles. The sustainability score is evaluated based on more than 100 indicators according to 3 criteria: Environment, Society and Corporate Governance. VNSI index aims at the following targets:

- Determining sustainability standards for listed companies.
- Supporting institutional and individual investors to identify enterprises with "green" characteristics to invest in.
- Strengthening the sustainable development trend of the whole economy.
- Defining the best environment, society and governance practice criteria.
- Adding a new investment tool, contributing to the growth of the stock market and the economy.

RECOGNITION BY PRESTIGIOUS ORGANIZATIONS

Facing many fluctuations due to the global pandemic Covid-19 last year, Vinamilk still firmly overcame challenges to be honored in major rankings of the global dairy industry and recognized with many notable awards in many aspects, strengthened the brand value and deserved a sustainable investment of Shareholders and Investors.

In 2021, Vinamilk has risen 6 places in a row to become the only dairy company in Southeast Asia ranked

The 36th

in Top 40 Dairy producers in the world in terms of revenue

according to Plimsoll - market research company (UK)

According to Food and Beverage Industry Report in 2021 by Brand Finance, Vinamilk was the only representative of Vietnam and Southeast Asia to be in

Top 10

most valuable global dairy brands in 2021 with a brand value of nearly USD 2.4 billion

increasing by 12% compared to 2020. **In addition, Vinamilk held the 2nd position in the Top 3 most potential brands of the global dairy industry.**

According to overall assessment of 100 food brands, Vinamilk entered

Top 30

Most Valuable Global Food Brands with the 27th position, sharply increasing 9 places compared to 2020.

Besides, Vinamilk brand also ranked **Top 5 strongest global food brands**, increasing 6 places compared to 2020.

Vinamilk continued to affirm its position in



BEST CORPORATE GOVERNANCE ENTERPRISES (LARGE CAP CATEGORY)

Listed Companies Voting Program 2021

9 CONSECUTIVE YEARS IN THE



BEST LISTED COMPANIES IN VIETNAM (FORBES VIETNAM MAGAZINE)

This is a recognition for the company's outstanding efforts in advanced and transparent governance, creating the foundation for sustainable business in a challenging year



Government





In the context of Covid-19 outbreaks in 2021, as the leading dairy company in Vietnam, Vinamilk was aware of its role and responsibility in contributing positive values to the economy, society and environment of Vietnam. In response to the Government's appeal call to implement the Sustainable Development Goals, Vinamilk

has been constantly making efforts to plan, promote and develop activities towards the common goal of sustainable development, promoting economic development, solving social problems and protecting the environment.

CONTRIBUTION TO THE STATE BUDGET

VND **5,322**
BILLION



MOST-PAYING
CORPORATE INCOME TAX
ENTERPRISES IN VIETNAM
IN 2020

★★★
TOP
12

DIGITAL TRANSFORMATION

The digital transformation system is applied in the entire value chain of Vinamilk



RESPECTING FOR LAW



NO VIOLATIONS OF MONOPOLY,
ANTITRUST LAW AND
COMPETITION OBSTRUCTION



NO CASES RELATED TO HEALTH
AND SAFETY OF PRODUCTS AND
SERVICES



NO CASE RELATED TO
OCCUPATIONAL HEALTH AND
SAFETY, ENVIRONMENT



NO CLAIMS ON THE RIGHT TO
CONFIDENTIALITY OF CUSTOMER
INFORMATION



NO FINES AGAINST TAX
ADMINISTRATIVE VIOLATIONS



NO LEGAL FINES IN THE ECONOMIC
AND SOCIAL REALM



DO NOT TAKE ADVANTAGE OF
ADVERTISING AND PROMOTION FOR
UNFAIR COMPETITION



NO VIOLATIONS OF BRAND AND
PRODUCT DECLARATION

CONSULTING WITH COMPETENT AUTHORITIES



LEGAL DOCUMENTS IN PRODUCT AND
ENVIRONMENT ASPECTS

LIFTING UP DAIRY COW FARMING INDUSTRY

14
FARMS



TOTAL HERD OF COWS (*)
MORE THAN **160,000**
HEADS

RAW MILK PRODUCTION AMOUNT

155,562
TONS/YEAR



INCREASING
4.5%
COMPARE TO
2020



THE AVERAGE MILK YIELD

27.81 KG/HEAD/DAY



(*) Including Vinamilk, member units in Vietnam and
associated farming households

DEVELOPING LOCAL ECONOMY

83



RAW MILK COLLECTION
STATIONS

PURCHASE

193,526

TONS OF MILK/YEAR

100%

OF HOUSEHOLDS ARE ANNUALLY
ASSESSED FOR QUALITY AND
PROVIDED WITH TECHNICAL ADVICE

100%

OF TRANSFER STATIONS ARE ANNUALLY
PROVIDED WITH TECHNICAL ADVICE

5,068

Number of local
employees

ACCOUNTING FOR

64%

of the total number of
employees of the Company

INCREASING

9.3%

compared to 2020

PROMOTING GLOBAL PARTNERSHIP – LIFTING UP VIETNAMESE BRANDS



07 DOMESTIC SUBSIDIARIES AND ASSOCIATES

05 OVERSEAS SUBSIDIARIES AND ASSOCIATES



ACCUMULATED EXPORT TURNOVER
EXCEEDS

USD **2.6**
BILLION



ACCUMULATED EXPORT
REACHES

57
MARKETS

EXPORT REVENUE IN 2021

VND **6,128** BILLION

INCREASING **10%** COMPARED TO 2020



CONTRIBUTION TO THE STATE BUDGET

During 45 years of business operation, Vinamilk has always been aware of the importance of taxes in the development of the nation and understood that contributing taxes to the national budget is contribution to the Government's budget for promoting investment in public infrastructure and services, developing key sectors, etc., and especially health activities in recent Covid years.

Vinamilk has always committed to responsible and transparent tax management, considering legal compliance, integrity, and honesty in conduct and in all transactions as core values issued by Vinamilk in its code of conduct in 2010.

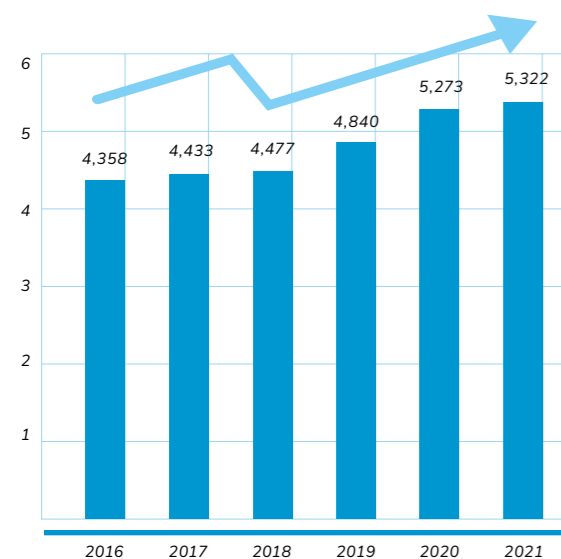
“Vinamilk always respects and commits to comply with the provisions of the law as well as takes responsibility for non-compliance”.

• According to Vinamilk's code of conduct •

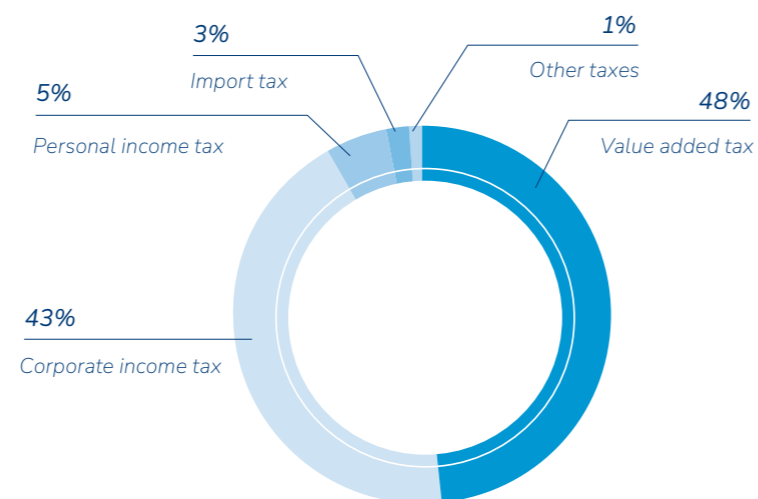
In addition, Vinamilk ensures that the Company and its Subsidiaries comply with all local and national tax laws and regulations of the countries where Vinamilk's production takes place through specific activities as follows:

- Liaise with consultants, tax authorities, parties to update new laws or any amendment thereto, in order to identify potential tax risks and ensure that applicable tax regulations are promptly updated by the company.
- Invite State tax authorities to conduct tax inspection and investigation at the Company.
- The company's tax department identifies, analyzes and assesses risks related to unclear tax regulations/policies and takes preventive measures.
- Publicize the financial statements on the Company's website in order to present the financial position and business results of the Company in a transparent manner.
- These financial statements present a true and fair view in compliance with Accounting Standards, corporate accounting regimes and relevant legal regulations, ensuring that there are no major misstatements due to fraud or error.
- Financial statements are reviewed by an independent auditor prior to declaration.

In addition, Vinamilk regularly participates in consultations initiated by the government, tax authorities and international organizations in order to approach tax policies more effectively, providing input information



Tax chart 2016-2021 (VND Billion)



Tax structure chart in 2021



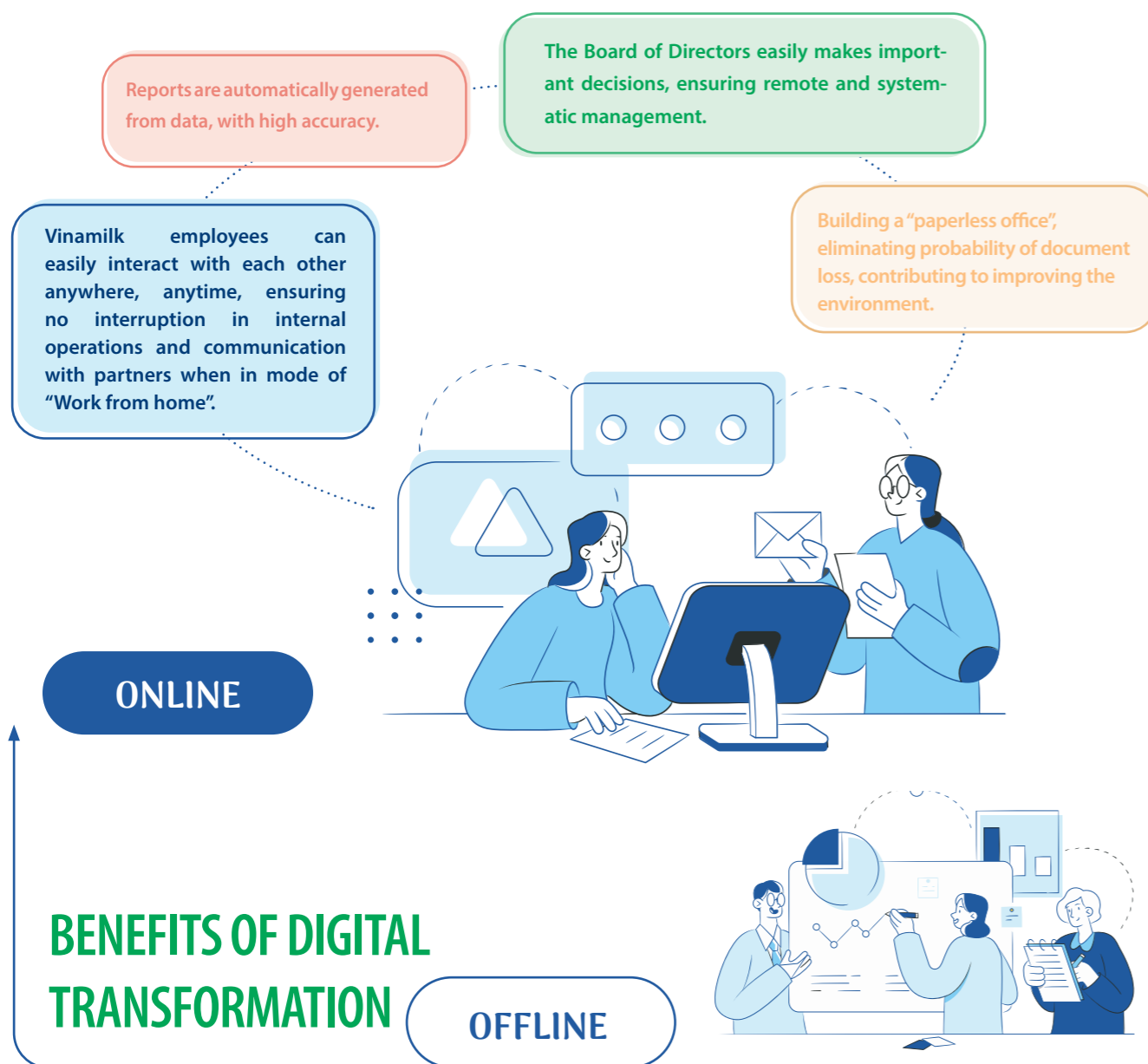


DIGITAL TRANSFORMATION – A DRIVING FORCE FOR ECONOMIC DEVELOPMENT AND RECOVERY

Digital transformation is present in life for the sake of people's well-being and happiness and national power and prosperity.

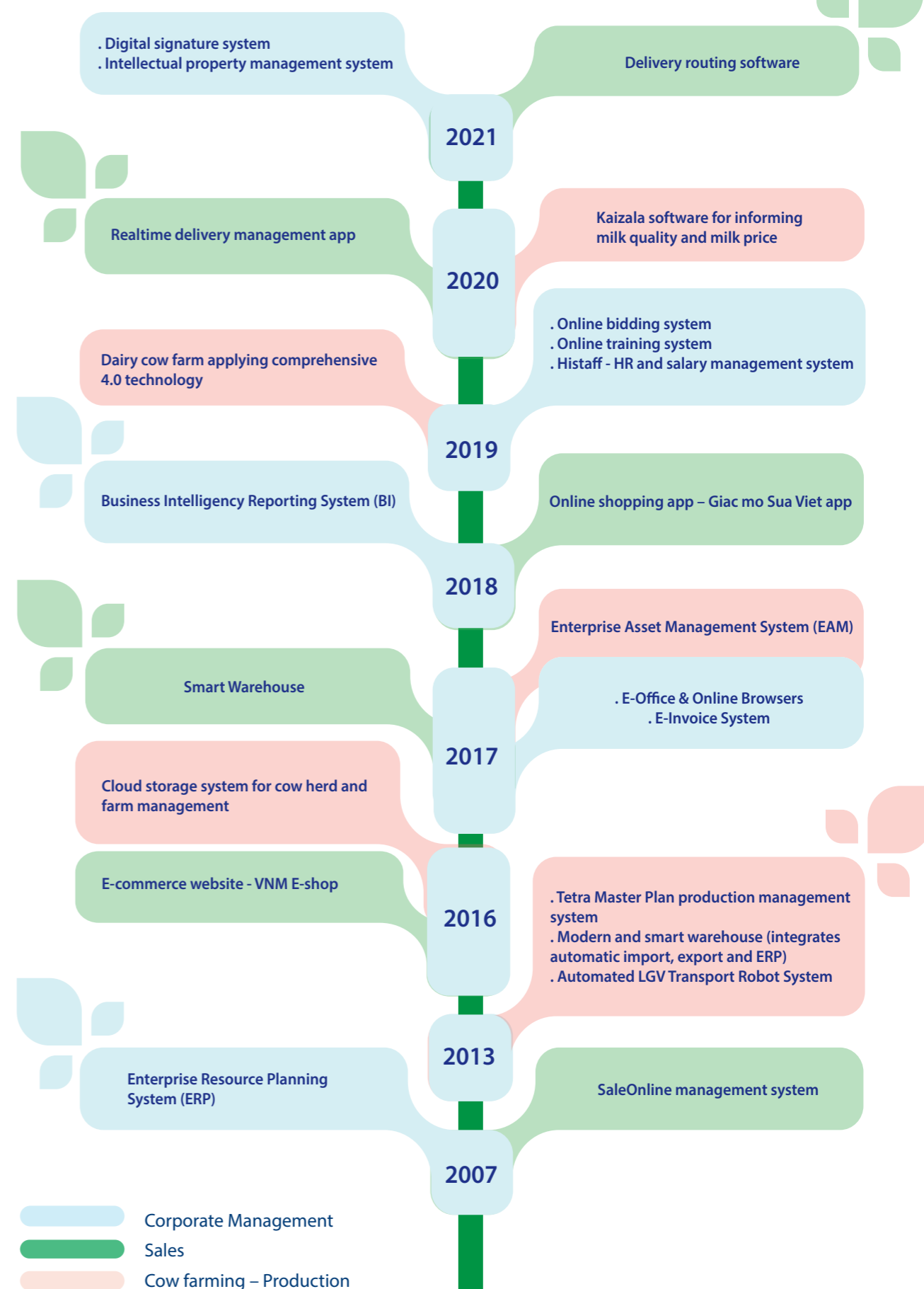
Catching up with the trend, Vinamilk has approached and applied digital transformation combine with modern technology into the value chain since 2012, helping production, cow farming, distribution and sales activities run smoothly, improving business efficiency.

In the midst of the stressful pandemic situation, Vinamilk has constantly made every effort to apply digital transformation in operation. As a result, Vinamilk has solved the "Covid-19 problem", contributing to business growth, providing job opportunities and stable income for nearly 8,000 employees of the company across the country, providing a stable source of goods and services for consumers, joining hands with the Government in preventing and overcoming the pandemic.



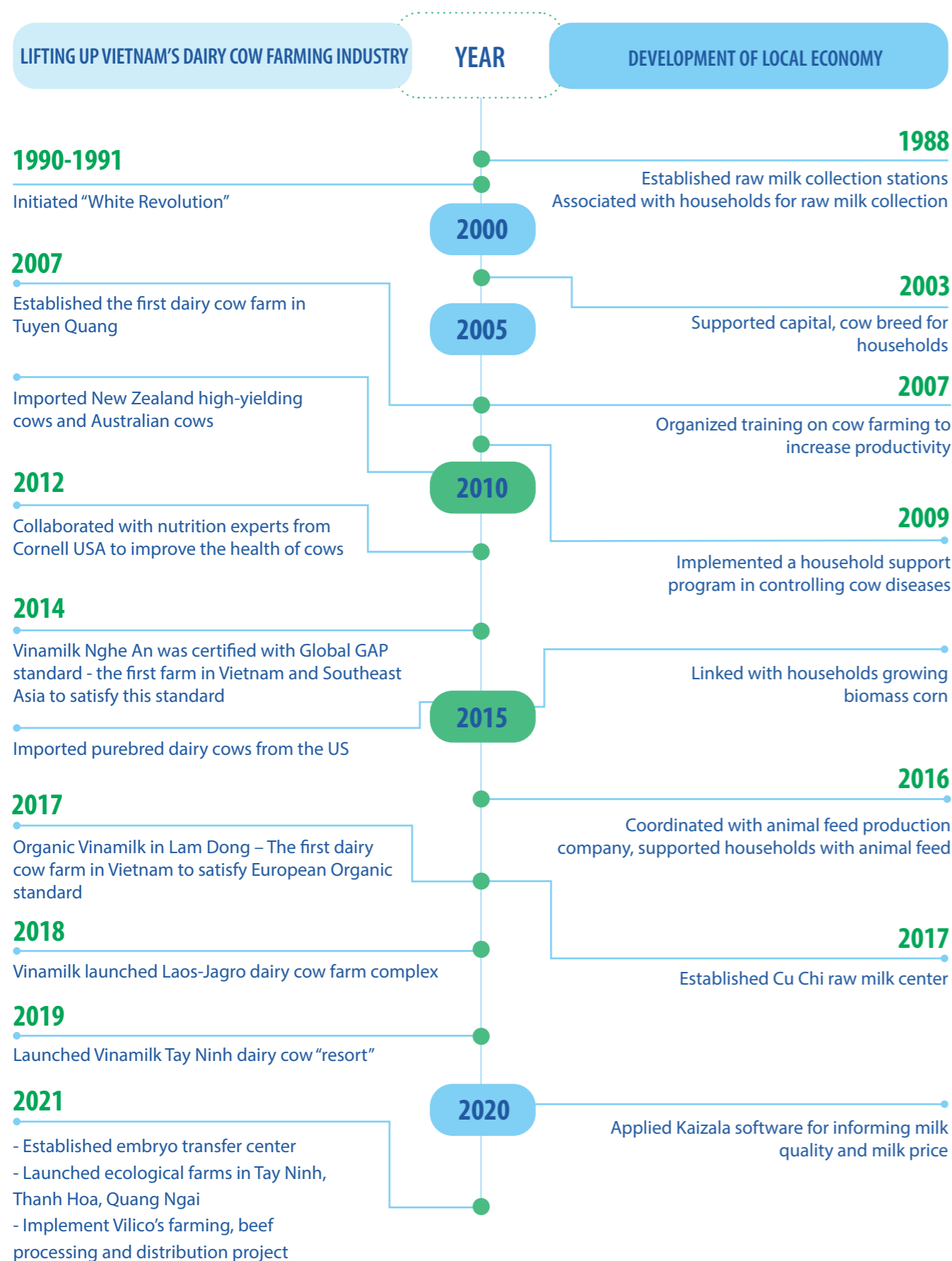
The process of digital transformation has been implemented rapidly, not only at the Parent Company - Vinamilk but also in its subsidiaries and member companies.

Vinamilk's digital transformation journey





THE JOURNEY TO LIFT UP VIETNAM'S DAIRY COW FARMING INDUSTRY – DEVELOPMENT OF LOCAL ECONOMY



In order to expand the scale, increase productivity and milk quality of the herd of cow, Vinamilk proactively imported cow breeds from the US, Australia and New Zealand and domesticated them in accordance with the climatic and soil conditions in Vietnam to develop herds of cows on domestic farms. In 2021, Vinamilk successfully imported 2,100 purebred HF dairy cows from the US to Vinamilk's new farm in Quang Ngai.

VINAMILK CURRENTLY OWNS

14 FARMS

WITH A TOTAL HERD OF
32,532 COWS

INCREASING BY

6.74%

COMPARED TO
2020

RAW MILK OUTPUT

155,562 TONS/YEAR

AN AVERAGE MILK YIELD
27.81 KG/HEAD/DAY

INCREASING BY

4.5%

COMPARED TO
2020

Besides perfecting and upgrading the current dairy cow farm system, Vinamilk is constantly making efforts and breakthroughs to launch new farm projects in the coming time in order to expand the scale of the Company's operations, and to facilitate the local economy at the regions where Vinamilk is operating.

- High-tech dairy cow farm complex project at Song Hau Farm - Can Tho.
- Moc Chau Hi-tech Dairy Cow Eco-tourism Farm project.
- Vilico Tam Dao beef cattle project.
- Other farm projects in 2022-2026.

In addition, Vinamilk orients to build a dairy cow "resort" model combined with nature-friendly Green Farms towards sustainable development and environmental protection. In 2021, in the context of profound impact of Covid-19 on life and production, Vinamilk's first ecological farms in Tay Ninh, Thanh Hoa and Quang Ngai were officially launched, marking a new step on the journey of Sustainable Development.

The farm has an ecological habitat with natural groundwater and a regulating lake to maintain cool and fresh air on the farm.

- The sources of imported purebred cow breeds ensure stable genetics and milk yield.
- Natural forage which is rich in nutrients for cows such as corn, Mombasa, Ruzi, Oats, Stylo, etc.
- No chemical fertilizers and chemical pesticides.



DIGITAL TRANSFORMATION IN COW FARMING

Digital transformation in business in general and livestock farming in particular is one of the important trends today, especially in accompanying the Government to achieve the Sustainable Development Goals as well as the national Digital Transformation Program initiated by the Government.

So far, Vinamilk has been applying modern technology 4.0 in all stages of dairy cow farming and management at the farms where Vinamilk is operating.

The comprehensive application of 4.0 technology such as automation systems and artificial intelligence to farm management and operation will ensure that the cows are always optimally and thoroughly cared. Accordingly, good health of individuals is assured for high productivity and high quality of raw milk.

In addition, Vinamilk has applied Kaizala software for notifying milk quality and milk price in order to increase the efficiency of information exchange, support households to update information quickly and promptly, so as to promptly take measures to improve milk quality, selling price, and income.



RATION MANAGEMENT SYSTEM

Measure and ensure feed quality according to the age and development stage of the cows



MAINTENANCE SOFTWARE SYSTEM

Effectively manage and plan the operation of more than 60 motor vehicles and more than 300 machines and equipment on the farm



LARGE BARN SYSTEM (2,000 COWS/BARN)

Modern and advanced cooling technology creates a resort-like living environment for happy cows



LARGE-SCALE MILKING SYSTEM

With more than 200 cows/time. Data identification, collection and management are conducted through Electronic Chip



LELY JUNO - AUTOMATIC FEED PUSHER

It is automatically programmed and plays music for cows to relax while eating



HEALTH AND ACTIVITY CONTROL SYSTEM

Collect, analyze and report health status thanks to electronic chips mounted on each cow





RAW FRESH MILK AND BIOMASS CORN CONSUMPTION OFFTAKE

Vinamilk committed to purchase all raw fresh milk from farmers. Especially during the Covid-19 epidemic outbreak, despite congested supply chain and difficulties on milk collection, Vinamilk purchased all qualified raw fresh milk as committed by directing milk delivery households from lockdown areas to normal areas and supporting circulation of vehicles without QR codes, etc.

In addition, Vinamilk has connected to farming households to purchase biomass corn for animal feed, contributing to creating jobs and increasing income for local people. Contracts were executed with clear terms and conditions and meetings with households were held to discuss cooperation methods and jointly exchange production methods that bring the best corn yield and quality.

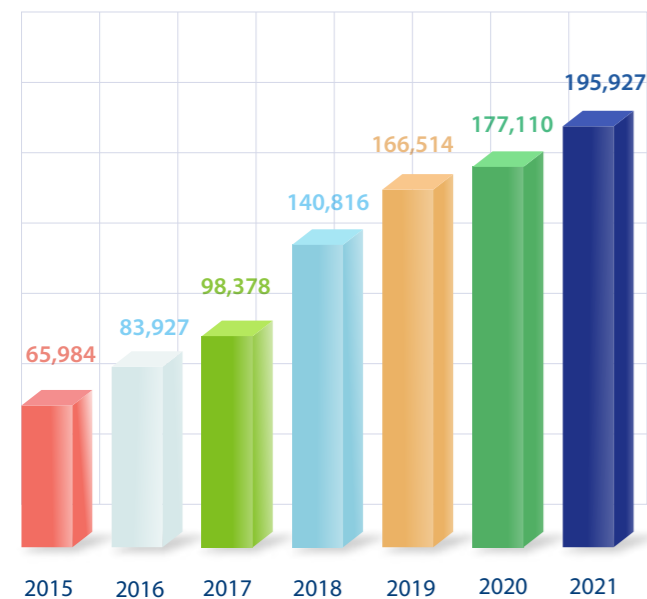
IN 2021
VINAMILK PURCHASED
193,526 TONS OF MILK
FROM HOUSEHOLDS



INCREASING **3.2%** OVER THE SAME PERIOD IN 2020
BY

The chart representing biomass corn yield
purchased from households

(Yield: ton)





TRAINING – ADVISING – TECHNICAL GUIDELINES

Vinamilk coordinated with local authorities to organize training sessions as well as providing farmers with advices on breed, planting techniques, animal husbandry, animal care; planting techniques, corn varieties, etc. to increase productivity and bring the highest profit for households.

Finished and ongoing programs of Vinamilk

- Vinamilk cooperated with the Department of Animal Health to build a disease-free dairy farming area.
- Appoint technical staff in animal husbandry, veterinary medicine, nutrition, technology, etc. to directly cooperate with farmers.
- Advise and transfer scientific advances in dairy cow farming, disease control (Program on Somatic cell and mastitis control for cows, etc.).
- Guide and organize training on husbandry techniques for households such as nutritional consulting, dairy cow health check, cow hoof trimming, mastitis, paronychia, arthritis treatment, distributing synthetic feed to households suffering from grass shortage in the dry season.
- Coordinate with the local veterinary facilities for vaccination, epidemiological management.
- Support in cow ear tagging for monitoring.
- Support households to produce “green card” to sell milk, vaccination certificate, and handle arising obstacles.
- Support in models of barns, milking machines and grass choppers.
- Support in insemination of primary cows, F1 and F2 dairy cows to improve the health of cows.
- Cows are annually vaccinated with 100% of hematoma and foot-and-mouth disease vaccines.
- Support households in land assessment before planting, introduce harvesting methods if households have difficulties in harvesting.
- With commitment on satisfaction of all household’s needs, Vinamilk aims to support, advise and provide livestock farming techniques for households with the happiness, enthusiasm and timeliness via hotline - 028 37350 001.

ESTABLISHMENT OF MILK COLLECTION STATIONS

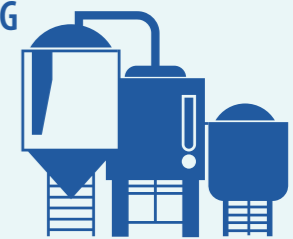
Currently, Vinamilk is managing more than 83 milk collection stations nationwide. In addition to the major activity of raw milk collection, the raw milk collection stations also engage in distributing dairy feed, consulting and transferring technology in animal husbandry, disease control for dairy cows, etc. to facilitate effective livestock farming of farmers.

Vinamilk supported dairy farmers in establishing raw milk transfer stations to purchase raw milk from dairy farmers and transfer to Vinamilk. These raw milk transfer agents are supported by Vinamilk through the credit form to invest in facilities and cold storage tanks for raw milk quality assurance according to standards.

Vinamilk has been upgrading and modernizing raw milk collection stations according to a modern model and closed process to meet the needs of expanding livestock production of households.

VINAMILK MANAGING

83



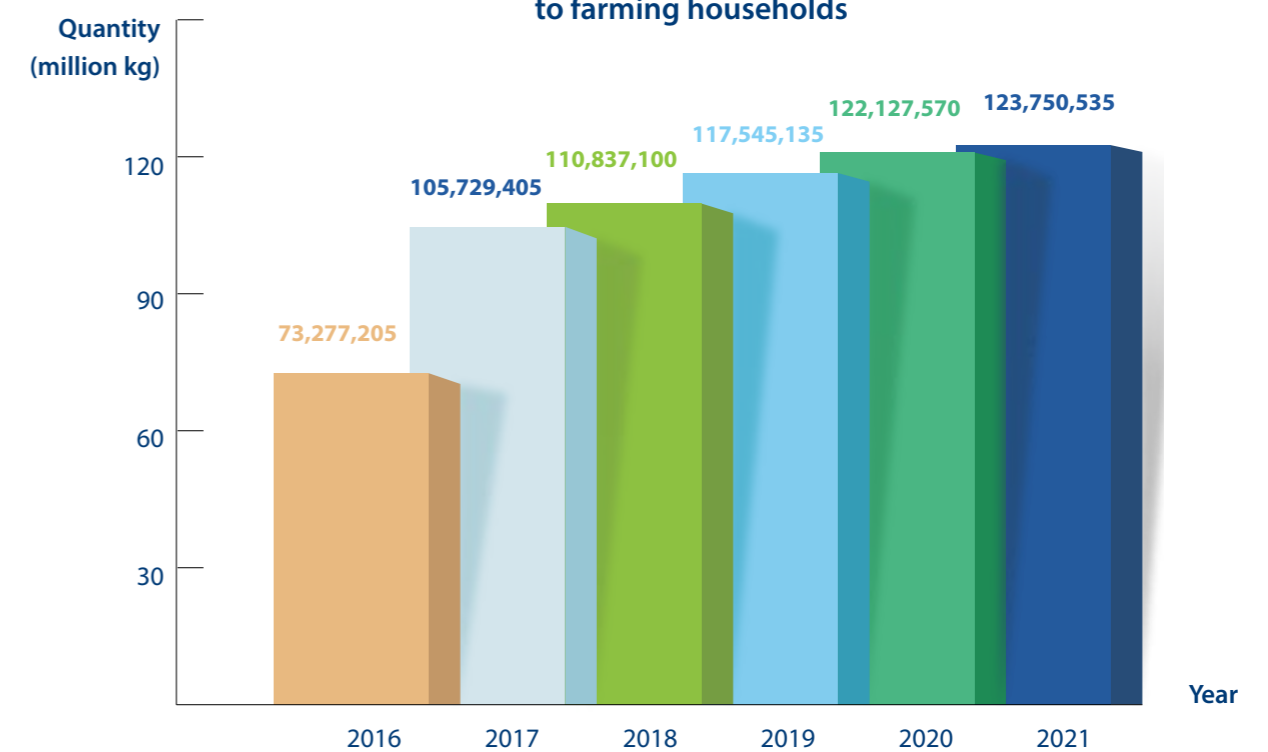
MILK COLLECTION STATIONS NATIONWIDE

SUPPORT IN LIVESTOCK FEED

Vinamilk has cooperated with foreign experts and major industrial feed companies in the world to offer animal feed products with optimal nutritional composition for dairy cows, which increases production and quality milk at very competitive and stable prices. With this program, Vinamilk supports livestock households to receive cattle feed after bringing milk to the station without immediate payment, and payment will be deducted from the weekly milk bill. The program has been helping farmers reduce production costs, feel secure for close engagement and expansion of their dairy farming scale.



The chart representing cattle feed distribution to farming households





PROMOTION TO GLOBAL PARTNERSHIP – LIFTING UP VIETNAMESE BRANDS

After 45-years of establishing, maintaining and developing the brand, Vinamilk has become a trusted brand of Vietnamese consumers. Going far beyond the Vietnamese market, Vinamilk is on the path of orientation to lift up the Vietnamese brand - bringing the "Vietnamese dairy dream" to the world market, aiming at the goal of Top 30 global highest revenue dairy companies.

IN 2021
EXPORT REVENUE
VND **6,128** BILLION



↑ 10%
OVER THE SAME PERIOD IN 2020

REVENUE OF FOREIGN BRANCHES

VND **3,589** BILLION



↑ 11%
OVER THE SAME PERIOD IN 2020

IN 2021
VINAMILK'S PRODUCTS HAVE BEEN
CUMULATIVELY EXPORTED TO **57** MARKETS

TOTAL ACCUMULATED EXPORT TURNOVER OF MORE THAN

USD **2.6** BILLION



INCREASING BY
9.4% right in the
"YEAR OF COVID"



Even in the year of difficulties and challenges for the export market due to Covid, Vinamilk made great efforts and implemented the policy of "joining forces" with global partners to stand firm, share difficulties and develop together. As a result, export activities were still promoted by exporting 10 containers of high-quality nut milk and condensed milk to the Chinese market, exporting Bird's nest fresh milk to the "high requirement" Singapore market and successfully launching Organic fresh milk satisfying "double standards" (European and China Organic standards) in Shanghai.



During 25 years of exporting activities, Vinamilk has left significant marks on the world market, and achieved remarkable titles, lift up the position of Vietnam's dairy industry on the world map, affirming the capacity and strength of corporate governance.

IN 2021



TOP 5

Best corporate governance companies voted by Forbes

1 IN 3

Most potential brands of the world dairy industry

TOP 10

The only representative of the South East Asia to rank among most valuable global dairy brands in 2021

TOP 5

Strongest global food brands in 2021

TOP 36

Global highest-revenue dairy companies (USD 2.5 billion)

In 2021, Vinamilk promoted investment strategies for market expansion to create growth momentum for the new strategic period 2022-2026.



Vinamilk entered a joint venture with a leading company in the Philippines to officially launch a brand in this market known as Del Monte – Vinamilk.



Vinamilk and Vilco invested in building a dairy factory in Hung Yen with a total expected investment of VND 4,600 billion (nearly USD 200 million), on an area of nearly 25 hectares; total design capacity is estimated at about 400 million liters/year.



Vinamilk and Vilco successfully signed a memorandum of understanding with So-jitz, a Japanese Corporation, in a beef cattle project in Vinh Phuc province valued at USD 500 million.

Community






VINAMILK JOINS ITS EFFORTS IN FIGHTING AGAINST THE PANDEMIC – FOR HEALTHY VIETNAM

JOINING EFFORTS WITH THE
COMMUNITY TO OVERCOME
THE CENTURY PANDEMIC

VND **100**
Billion



IN
2021 | MORE THAN
VND **60** BILLION

AIDING THE FRONTLINE FORCES

60
Hospitals



10,000
Doctors and Nurses

1.1 MILLION
Products



GIFTS OF HEALTH FOR THE COMMUNITY

Sharing the burden in the pandemic season with
products with an estimated budget of up to

VND **170 Billion**

45,000

gifts
for people in difficult circumstances
in 03 provinces:
HCM City, Dong Nai, Binh Duong



ENCOURAGING HEALTHY LIFESTYLE, JOINING
HANDS FOR THE SAKE OF CHILDREN DURING
THE PANDEMIC

45,000

boxes of milk for isolated
children during the Lunar
New Year



24,000 Products

equivalent to **3,000** gifts for
children on Children's Day



VND **10 BILLION**

contributed to buy vaccines for children 12-18 years old,
support in taking care of children affected by the epidemic



1 MILLION CUPS OF MILK

FOR CHILDREN IN DIFFICULT CIRCUMSTANCES


VINAMILK – DREAMS ON A WING

SCHOOL MILK

15 YEARS 
26 PROVINCES

NEARLY 4
MILLION 
BENEFICIARY
CHILDREN

IN 2021
contributed
VND **55** BILLION



STAND TALL VIETNAM MILK FUND

14 YEARS  **38.7 MILLION
CUPS OF MILK**

479,000
BENEFICIARY
CHILDREN

VND **177.5**
BILLION

2021  **1.7** MILLION
CUPS OF MILK

19,000
BENEFICIARY
CHILDREN

VND **12.5**
BILLION

PAIRS OF LOVING LEAVES

04 YEARS OF COMPANIONSHIP VND **16.5 BILLION**
16 JOURNEYS



Support 34 “unhealed leaves”
and give them opportunities to
go to school

IN
2021

VND **3.85 BILLION**

Support 6 “unhealed leaves”



SOLIDARITY

16 years of accompanying the
Sponsoring Association for
Poor Patients in Ho Chi Minh
City with a total budget of

VND
7
BILLION

1,200 
HEART AND
EYE SURGERIES 

IN 2021
VND **500** MILLION

VINAMILK WAS HONORED WITH THE HIGHEST
RANK OF PLATINUM – AT THE GLOBAL CSR
AWARD IN 02 CATEGORIES



Best Community
Programme Award



Product Excellence Award
with the highest ranking –
Platinum

2021

Vinamilk was awarded the “Asia Corporate Excellence and
Sustainability in 2021” (ACES 2021) . Honored as
ASIA'S MOST COMMUNITY CENTRIC COMPANY OF THE YEAR



VINAMILK JOINS ITS EFFORTS IN FIGHTING AGAINST THE PANDEMIC – FOR HEALTHY VIETNAM

JOINING EFFORTS WITH THE COMMUNITY TO OVERCOME THE CENTURY PANDEMIC

Covid-19 has been the most mentioned keyword in the past 2 years, causing heavy losses in the lives of millions of people and the global economy, including Vietnam. Vinamilk, with the responsibility of a leading nutrition company, is ready to synergize with the Government and share with the Community to overcome the pandemic of the century, stabilize life, and aim for prosperous development.

2020

VND
40
BILLION

for disease prevention
and nutrition support.
In which



VND **18** billion

to fund the purchase of
medical supplies and
equipment for testing

VND **22** billion

was contributed to support
nutrition for children, the
community and the frontline
forces fighting against
the epidemic

2021

MORE THAN
VND **60** BILLION

Donated for the prevention
of the Covid-19 epidemic
- Joining hands with the
community to overcome the
pandemic of the century



AINING THE FRONTLINE FORCES

During the Covid-19 epidemic, the frontline forces and medical staff worked hard without any time to rest and wholeheartedly devoted to care for and protect the health and safety of people. Therefore, more than ever, "heroes in white shirts" are in dire need of the support and encouragement of the community to stay healthy and firmly repel the pandemic.

During the months when the Covid-19 epidemic broke out, many children can only see their parents through the mobile screen because their parents are still on the front lines against the epidemic. For the health of the community, many doctors and nurses do not have time to have a full meal and sleep.

With the sympathy and the desire to share and aid the frontline forces, Vinamilk has donated more than 1.1 million nutritional products to more than 10,000 health staff at more than 60 frontline hospitals across the country and more than 3,000 gifts to their family, relatives, children on Vietnamese Family's on June 28. This is gifts of sentimental value from the heart of Vinamilk's employees to the frontline forces with gratitude: **Thank you to the white-blouse Heroes who have always been the "green zone of hope" for Vietnamese people.**



NUTRITIONAL SUPPORT
1.1 MILLION
PRODUCTS

FOR **10,000**
doctors and nurses at more than
60 hospitals

GIVES
3,000
GIFTS

of nutritional products to children,
relatives of doctors and medical staff
who are temporarily away from their
families to "fight" on the front lines





ENCOURAGING HEALTHY LIFESTYLE, JOINING HANDS FOR THE SAKE OF CHILDREN DURING THE PANDEMIC

“YOU ARE HEALTHY – VIETNAM IS HEALTHY” CAMPAIGN

On our beloved S-shaped strip land - Vietnam, where the flow of life is constantly moving, where the bustling cities and the peaceful countryside are always full of energy, the Covid-19 pandemic suddenly came as a “low note” of our life, which made everything turn upside down and kept us apart. However, in this moment, we realize “Health” is the most important thing.

Believing that “Every healthy person builds a healthy Vietnam to overcome the pandemic”, the community campaign “You are healthy - Vietnam is healthy” was implemented by Vinamilk with the desire to encourage everyone to share and practice good habits for health, maintain an optimistic spirit, positive energy to create a healthy community.

Going beyond the framework of a digital media campaign, “You are healthy - Vietnam is healthy” has turned numbers into contributions to the community.



BE HEALTHY to protect yourself and take care of those you love

BE HEALTHY to help and share with others



BE HEALTHY to be strong on the front lines and be healthy build a healthy Vietnam

Chief Executive Officer - Mai Kieu Lien

“During 45 years of accompanying many generations of Vietnamese people, Vinamilk has always strived to fulfill our mission of bringing international quality nutrition, improving the health of people and especially children. Through this campaign, Vinamilk wishes to spread the message of healthy lifestyle, healthy nutrition, positive spirit and sharing good values for society. We believe that, when each of us is healthy, Vietnam will be healthy, firmly fighting and winning the pandemic.”

MORE THAN **VND 20** BILLION

The total budget contributed by Vinamilk to the community through the campaign





GREEN ZONE OF HOPE

To further spread the message “You are healthy - Vietnam is healthy”, phase 2 of the campaign was implemented by Vinamilk and VTV Digital with the “Green Zone of Hope” project.

The “Green Zone of Hope” is symbol of the Faith - Strength of Solidarity - Joining hands by the community. Each individual who chooses a physically and mentally healthy lifestyle will contribute a “Green spot”, and many individuals will create a “Green Zone” of hope and faith to overcome the pandemic for a healthy Vietnam.

The project includes a series of programs that provide useful and practical information to every home through digital content channels of VTV Digital and Vinamilk such as:



Series of Video Clips
“When your home has F case”



Livestreams “Green zone of hope”



Podcast Series
“Yes, I’m listening to you!”



More specifically, the campaign “You are healthy, Vietnam is healthy” with the **“Green Zone of Hope”** project took the lead in **the 10 most prominent community campaigns in September** (according to data published by Younet Media’s Live Dashboard SocialHeat G2). **This was also the campaign with the highest Virality Score in the Top 5 prominent campaigns in the media industry announced by Buzz Metric.**

JOINING HANDS FOR THE SAKE OF CHILDREN DURING THE PANDEMIC

During the past 2 years, the Covid-19 pandemic has caused negative impacts on children in many aspects including their physical and mental health, living and learning conditions, etc. Many children were orphaned of their mother, father or both, many other children were subject to isolation or cannot live near their parents because their families or they become F0, F1. Particularly for disadvantaged children living in child care centers, homeless shelters, and open houses, in addition to suffering from study interruption and social interaction reduction, they will certainly suffer more disadvantages because conditions of care are inherently limited. More than ever, children need the care and support of everyone.



“Children are always put at the heart of Vinamilk’s community activities. Therefore, with the community campaign “You are healthy, Vietnam is healthy”, in both stages of implementation Vinamilk always calls for the community’s cooperation to bring more support to children. If vaccines will protect children during pandemic, good health will help them develop comprehensively and strongly through this period. In the fight against the pandemic, we suffer from disadvantages and difficulties, but we believe that if each person is healthy, Vietnam will be healthy and no one will be left behind, especially children, precious green sprouts of the country”

Ms. Bui Thi Huong

Executive Director of Human Resources, Administration
& External Relations



Like the green sprouts reaching out to the sun, children nurtured with our care and love will grow up healthily and happily. And their homes including centers, homeless shelters, open houses – with the community's cooperation and concern, will truly be “green zones” to protect and care for children during the pandemic.

In order to join hands in cultivating those green sprouts, Vinamilk, in all activities, has always consistently oriented towards creating many good things and caring for children - the future generation of the country.

45,000 boxes of milk
for isolated children
during the Lunar New Year

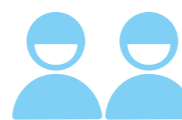


24,000 products
equivalent to **3,000** gifts
for children on Children's Day



VND 10 billion contributed to buy vaccines for
children 12-18 years old, support
to take care of children affected
by the epidemic

1 million cups of milk
for children in difficult circumstances



GIFTS OF HEALTH FOR THE COMMUNITY

SHARING THE BURDEN DURING THE EPIDEMIC SEASON

Though distance keeps us apart, we may get closer by our sincerity.

After 45 years of being trusted and loved by millions of Vietnamese families, Vinamilk share your burden during the epidemic season with a subsidy program on nutritional products of nearly VND 170 billion, and sharing the love for a healthy Vietnam!



Within the framework of this program, Vinamilk also gave 45,000 gifts of nutritional products to people facing difficulties due to the epidemic in 3 localities: Ho Chi Minh City, Binh Duong and Dong Nai. Practical support activities have partly shared the burden with people in difficulties while the epidemic situation is still complicated, directly affecting their jobs and income.





VINAMILK – DREAMS ON A WING

SCHOOL MILK

School milk – a “friend” of children

We want every school day to be a happy day for your children. Over the past 15 years, with the desire to give wings to the dreams of students, Vinamilk accompanied the School Milk program to bring high-quality, nutritious and suitable products to Vietnamese children.



**BRING MORE OPPORTUNITIES
TO DRINK MILK TO VIETNAMESE
CHILDREN**



**CONTRIBUTE TO THE IMPROVEMENT
OF NUTRITIONAL CONDITIONS**



**RAISE PHYSICAL AND INTELLECTUAL
OF VIETNAMESE CHILDREN**

The program is not only meaningful in terms of nutrition for children, but also helps many disadvantaged families reduce their economic burden and be more confident in their children's journey to school.

SCHOOL MILK

15 YEARS



26 PROVINCES



NEARLY **4** MILLION
BENEFICIARY CHILDREN

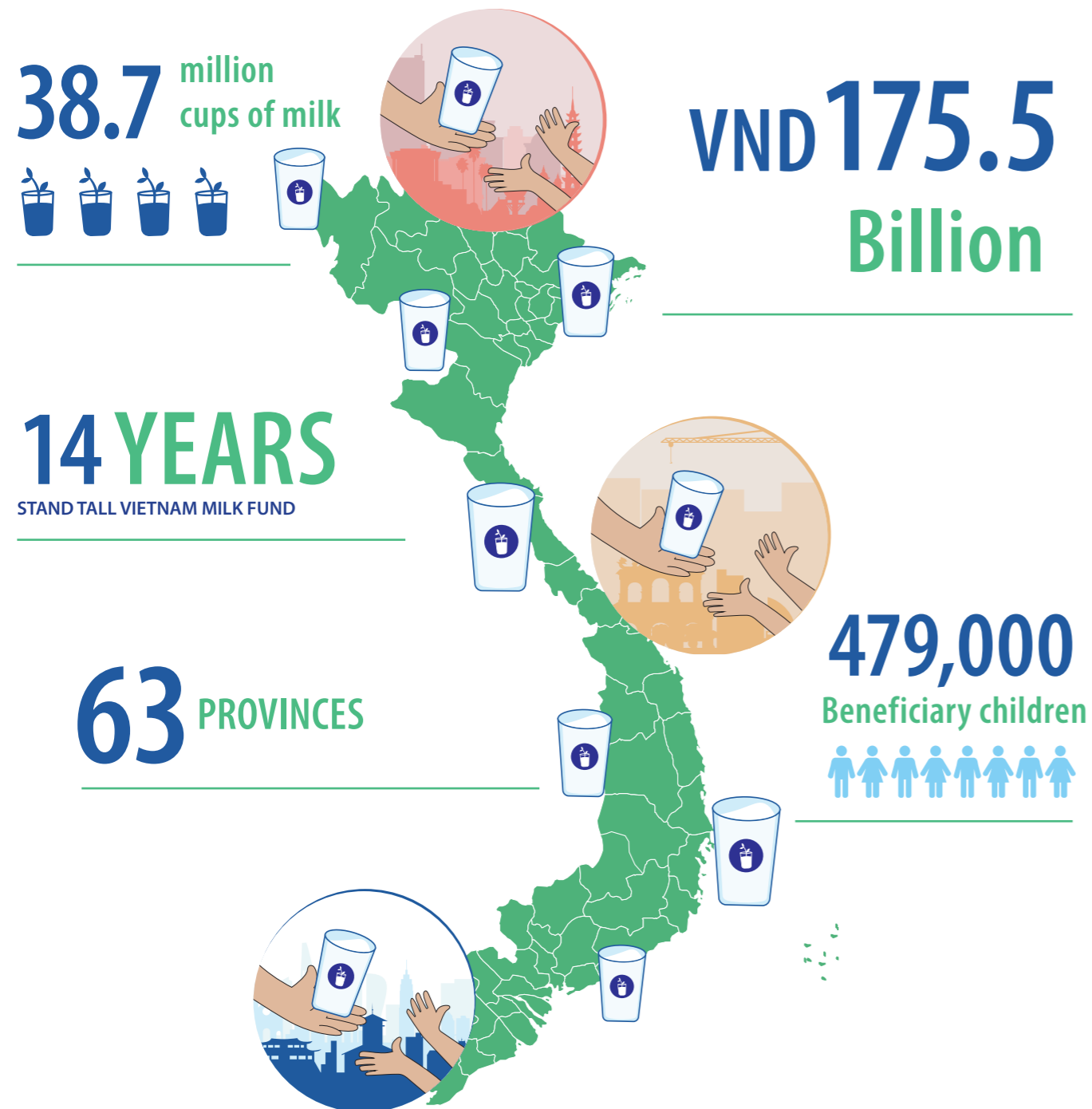
IN 2021
VINAMILK
contributed
VND 55
Billion





STAND TALL VIETNAM MILK FUND

What is your happiness? For many children in our Vietnam, Happiness is simply being healthy, having fun with their friends and being cared for. That is the driving force for Vinamilk to accompany Vietnamese children across the country with the “Stand Tall Vietnam Milk Fund”.



In 2021, the Stand Tall Vietnam Milk Fund along with the “**Million glasses of loving milk - Millions of happy smiles**” online campaign has been positively responded to by the online community. The campaign has brought a special sense of connection as it is a place for people to freely share moments of happiness, health and happiness of themselves and their families, and join hands with Vinamilk and Stand Tall Vietnam Milk Fund. Vietnamese high school gives milk to disadvantaged children in all parts of the country. Thanks to the “double” positive meaning, so far, thousands of cups of milk have been contributed by the online community through this online campaign.



In 2021 Vinamilk gives
1.7 million cups of milk to
19,000 children in difficult circumstances through
Stand Tall Vietnam Milk fund

VND 12.5 billion



Vinamilk believes that more and more cups of milk will be given the journey of the Milk Fund and more happiness will widely spread. Vinamilk always accompanies Vietnamese children to give wings to their dreams.





PAIRS OF LOVING LEAVES

Experiencing a difficult year of epidemics, Vinamilk still strives to accompany the Pairs of Loving Leaves Program, giving more opportunities and sowing more happiness to peoples in unlucky circumstances across the country.

Over the years, Vinamilk has always been the unit associating with the Pairs of Loving Leaves Program to sow the seeds of happiness, send the love, and connect the community. After 4

years as a "Great Leaf", Vinamilk has supported VND 16.5 billion with 16 trips to localities stretching from the North to the South to continue supporting 34 "unhealed leaves" to continue their dreams of learning and changing their life. The sweet fruits from the journey of "sowing seeds of love" continue to become the driving force for spreading and continuing the program.

In 2021, the 4th year of the "sowing seeds" journey with the Pairs of Loving Leaves Program, Vinamilk visited and met many children in difficult circumstances in many different localities, from Ninh Binh to Hanoi and to the epicenter of Ho Chi Minh City. During each trip, the "Great Leaf" always gives their love to the "Unhealed leaves" through the scholarships to support them in their study and nutritional products to keep them healthy.

On their journey, the wheels of Pairs of Loving Leaves and "Great Leaf" of Vinamilk tirelessly roll around to sow seeds of happiness and send the love because every journey of Vinamilk is a footprint of kindness, sharing and caring.

In the coming years, Vinamilk will always be a companion in social activities and especially the Pairs of Loving Leaves that continues to give wings to the dreams of children, **"For a stand tall Vietnam"**.

The second location

Leaving Ninh Binh, the car stopped in Hanoi at the peak of the heat wave to visit the family of Nguyen Bac Thai Duong (Hoa Chinh commune, Chuong My district)



The first location



The first departure point in 2021 was Ninh Binh, Vinamilk Representatives - Ms. Nguyen Thi Minh Tam and Mr. Ngoc Anh visited the family of three "little angels" Quynh Trang, Quynh Giang and Khanh Ly (Kim Son District).

The third location



The third location was also a very special location in the journey in 2021. Despite many difficulties due to social distancing during the epidemic period in Ho Chi Minh City, the pairs of loving leaves and the "good leaf" representative of Vinamilk visited the families of two "unhealed leaves" - orphans because of Covid-19

The fourth location



The journey in 2021 ended in Hanoi to visit the family of the "unhealed leaf" Bui Hoang Hai (Phu Chau commune, Ba Vi district)





SOLIDARITY

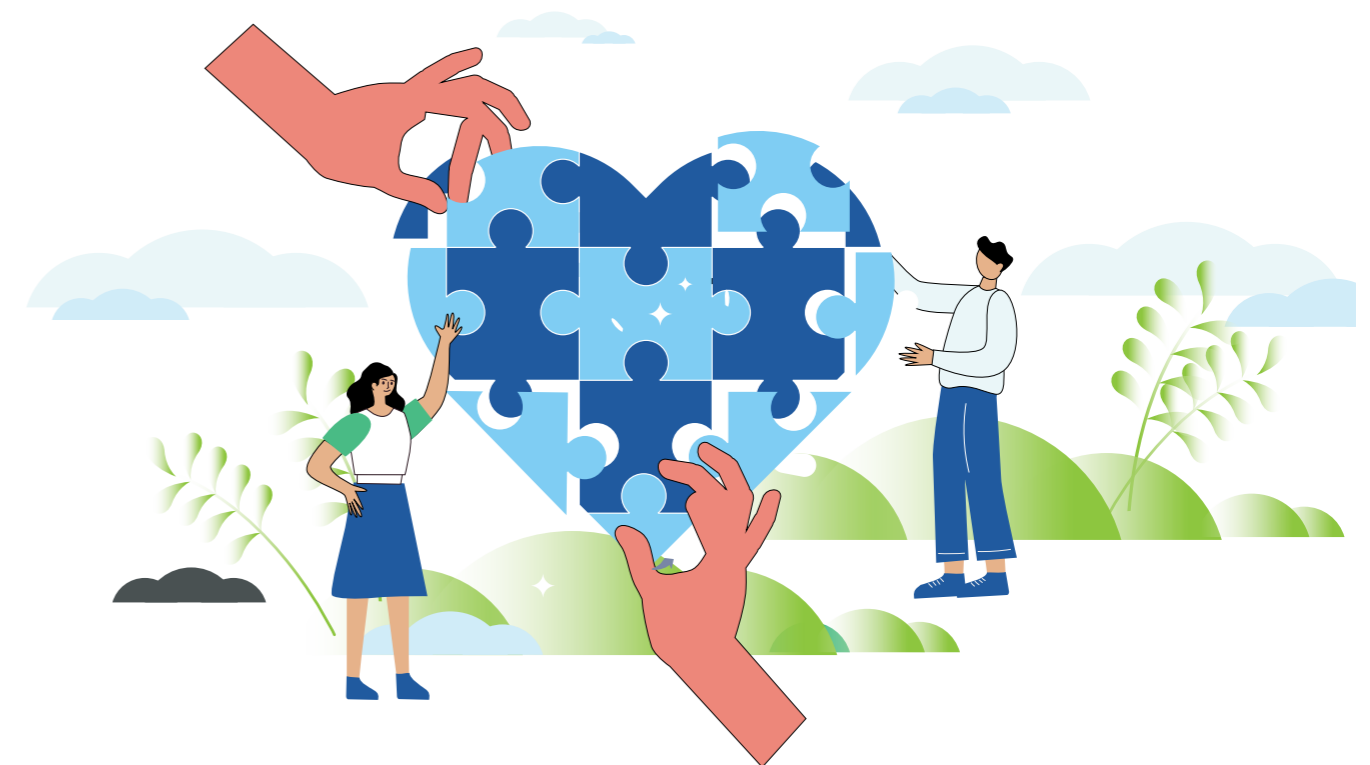
Bringing more opportunities to children with congenital heart disease to live and grow up with a healthy heart is the goal that the Sponsoring Association of the Poor Patients in Ho Chi Minh City and Vinamilk aim to achieve through donating surgery cost support. This activity has been carried out since 1995, with a total budget of nearly VND 7 billion and more than 1,200 cases have been supported.

In 2021, Vinamilk continued to carry out this activity by donating VND 500 million, visiting and giving many gifts of nutritional products to the patients.



In 2021, Vinamilk has really left a beautiful mark towards the community on its 45-year milestone of establishment and development. Not only affirming the company's development at the world level, Vinamilk increasingly shows its positive imprints in coming to values for the community, for a better and more sustainable life.

Thanks to practical actions, Vinamilk is remembered as **"A community service brand"**. In its development journey, each program implemented by Vinamilk comes from care, sharing, love and hope for a high and far-reaching country in the future.



"Vinamilk is a typical enterprise that consumers are looking for today: Connection, Strong Engagement, Ethical Actions and True Values"

Dr. Jayanthi Desan, Head of the ACES Awards Jury

Partners

3

GOOD HEALTH
AND WELL-BEING

8

DECENT WORK AND
ECONOMIC GROWTH

11

SUSTAINABLE CITIES
AND COMMUNITIES

17

PARTNERSHIPS
FOR THE GOALS





CONNECTING WITH VINAMILK

SUPPLY CHAIN, FARMING AND PRODUCTION

5,124
farming households
in Vietnam



Global Suppliers Network

PRODUCT RESEARCH AND DEVELOPMENT

Nutrition Corporation

- CHR. HANSEN HOLDING A/S – DENMARK
- DSM NUTRITIONAL PRODUCTS AG – SWITZERLAND

COMMUNICATION AND NUTRITION

VIETNAM DAIRY
ASSOCIATION

NATIONAL INSTITUTE
OF NUTRITION

VIETNAM CHIEF NURSING CLUB

DISTRIBUTION

Nearly
200

Distributors

Nearly
250,000

Points of sale in
Vietnam

Nearly
600

“Giac Mo Sua Viet” Stores

13

E-Commerce Partners



OTHER PARTNERS

VALUE CREATION

Building sustainable relationship



97.7%

Local distributors are satisfied



98.4%

International customers are satisfied



VND 33,206
BILLION

Total transaction value with suppliers



84%

of the procurement budget from local suppliers
where Vinamilk's operations take place

Accompanying for sustainable development

100%

Service providers in logistics
and supply field are
assessed for sustainable
development criterias before
and during use





ACCOMPANYING WITH VINAMILK

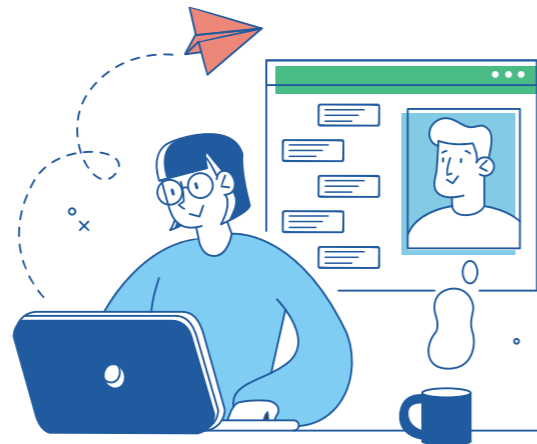
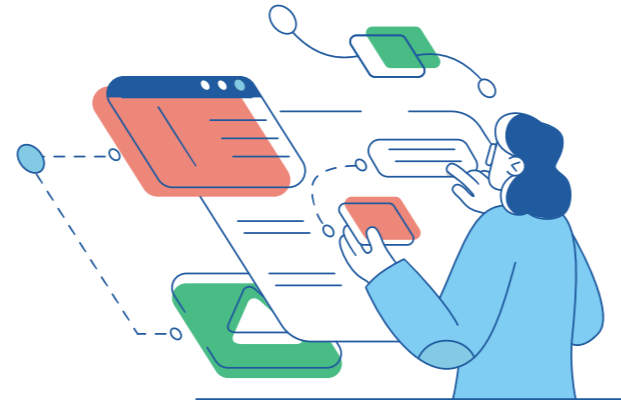
SUPPLIERS

Selection of suppliers

Vinamilk always ensures a stable and reliable supply source on the basis of sustainable relationships and harmonization of interests with suppliers at a high standard. Vinamilk's selection of suppliers is always based on defined criteria such as price competitiveness, quality of goods and services, food safety, occupational safety, sustainable development criteria and other appropriate standards and conditions. At the same time, Vinamilk always supports suppliers which pursue workable and fair competition for common business goals and never accepts illegal or unethical practices in competition.

Suppliers are required to respect the Code of Conduct as well as business ethics, comply with laws and ensure that the products and services provided to Vinamilk are qualified.

Vinamilk expects Suppliers and Partners to respect and accompany the Company in implementing social responsibilities, improving production capacity and orienting towards a sustainable supply chain. During its operation, Vinamilk will prioritize to accompany suppliers and partners who have the same opinion and have clear and transparent policies and commitments on social responsibility.



Assurance of sustainable relationship

Vinamilk always desires to ensure a stable and reliable supply of goods on the basis of sustainable relationships and harmonious benefits with suppliers at high standards. Therefore, Vinamilk strives to create an image of a reputable, respectful and honest company with suppliers.

Strong financial capacity

In the context of negative impact of the Covid-19 epidemic on the economy, Vinamilk still maintained financial stability, timely serving all business and cooperation activities.

- Total consolidated revenue reached VND 61,012 billion in the whole year 2021, increasing by 2.2% over the same period and consolidated profit after tax reached VND 10,633 billion.
- The Company maintains a high value of cash, while managing cash flow efficiently, flexibly and safely, ensuring capital needs for production and business as well as project investment according to the plans.
- Account payable turnover ratio was 9.35 times (2020: 9.34 times). The Company maintained a reasonable and strict payment policy with suppliers, in consistency with the Company's operations.
- Solvency: The liquidity ratios of the company were stable at a better level than the previous year, indicating that the company has enough resources to fulfill its payment obligations for its future due debt.

Reliable brand

- Top 36 Dairy companies with the highest revenue in the world.
- Ranked among Top 10 Sustainable Development Enterprises in Vietnam for 6 consecutive years.
- Top 10 Most valuable global dairy brand.
- Top 3 Most potential dairy brands in the world dairy industry.
- Top 30 Most valuable global food brands .
- Top 5 Strongest global food brands.
- Best-performing companies in Vietnam in 2021.

Fair and transparent relations

- Vinamilk commits to comply with the provisions of the Law relating to transactions with suppliers.
- Vinamilk commits to transact with suppliers on the principles of fairness, honesty, objectivity and benefits harmony.





DISTRIBUTORS

Connection for creating values

Distributors play an essential role in Vinamilk's widespread distribution system, which is an important connection between Vinamilk and consumers in product distribution, contacting and answering customers' basic questions about products.

Selection criteria and evaluation

Each distributor of Vinamilk is carefully evaluated and closely supervised, ensuring that it satisfies the company's standards for:

- Business lines; legal records
- Risk of conflict of interest
- Financial capability; scale of infrastructure, warehouse, means of transport
- Capacity in organization, management, administration, and human resources
- Customer service requirements
- Management capacity and assurance of strict food safety and hygiene requirements
- Building working environment for employees at the Distributors



Accompanying for co-development

Vinamilk always focuses on regularly communicating and interacting with the management team of the distributors in order to promptly receive and correct shortcomings and grasp market changes. In team capacity development as well as improvement of Distributor's satisfaction with Vinamilk, in 2021, Vinamilk organized online and offline training courses for Sales staff which was flexibly rotated according to the actual epidemic situation:

- Designing sales training and communication content
- Developing the capacity of sales staff
- Customer care skills for and developing customer relationships
- Building a highly effective team
- Improving customer service quality and providing general knowledge about logistics
- Analytical and problem solving skills

INDUSTRY ASSOCIATIONS AND NUTRITION PARTNERS

Creating nutritional foundation for the community

Strategic cooperation with domestic health organizations and international nutrition groups is part of the company's efforts for the development of children and improving the health of Vietnamese people. Vinamilk has always pioneered the application of achievements in nutritional science to introduce international quality dairy products, improve the health of the community, as well as mark a great progress of the Vietnamese nutrition industry.

Vietnam Dairy Association

Vinamilk is a member of Vietnam Dairy Association and gives opinions to the draft of relevant legal documents and updates information on the dairy market in Vietnam and the world.

Nutrition partners

Cooperating with many leading nutrition partners such as: Chr.Hansen (Denmark), DSM (Switzerland) to apply the world's latest nutritional science achievements to products.

National Institute of Nutrition

Cooperating in nutrition research and clinical trial programs.



Customers



During the Covid-19 pandemic when the blockade requirements almost “freeze” all activities, the needs of consumers are still present, especially those related to food. Understanding consumers’ concerns, Vinamilk not only brings high-quality and suitable products to all consumers, but also offers customers diverse shopping experiences, timely responds and ensures safety for everyone through e-commerce websites Vinamilk E-shop.





Meet Vinamilk



MEET VINAMILK ANYTIME, ANYWHERE

- Television
- Website vinamilk.com.vn
- Facebook, Youtube, Tiktok, Instagram, LinkedIn, etc
- Advertising Panel - Billboard
- Trade promotion events/ programs
- Alibaba, Group B2B

EXPERIENCE AND SATISFACTION OF CUSTOMERS' PERSONALITIES

250

TYPES OF PRODUCTS

13

PRODUCT CATEGORIES

In 2021, Vinamilk successfully researched and launched / re-launched to the market

21

NEW PRODUCTS

28

INNOVATIVE PRODUCTS

VARIOUS PROMOTIONS

- Preference for payment via Online payment gateway, e-wallet such as Moca, Vnpay, MoMo
- Promotions on major holidays such as New Year, International Women's Day, Vinamilk's birthday, special days such as March 03, April 04, May 05, June 06, Online Black Friday Day, Year-end Super Sale Online including November 11 and December 12,...
- Attractive promotional items for all types of customers
- Give vouchers on orders

GOING FURTHER IN THE INTERNATIONAL MARKET

02 New export markets Americas and Asia

03 Programs to promote international trade through conventional and e-commerce channels

69 Customers with new transactions

24 Trade Support Programs - Customer Support



Trust Vinamilk

VIETNAMESE PRODUCTS - INTERNATIONAL QUALITY

- Food Safety System Certification FSSC 22000; BRC
- EU Organic Standard, China Organic Standard

TRANSPARENT AND COMPETITIVE PRICING

- Transparent pricing policy
- Competitive price for each product segment

COMMITMENT TO CUSTOMER INFORMATION CONFIDENTIALITY

- Customer information confidentiality policy
- Process of handling complaints related to customer personal information:
- . Phone: 1900 636 979 or 028 541 55555 (Key 1)
- . Email: vinamilk@vinamilk.com.vn

STRONG VIETNAMESE BRAND

TOP 36

largest dairy companies in the world

TOP 5

strongest global food brands

TOP 3

most potential milk brands

TOP 10

most valuable global dairy brands (8th place - worth USD 2.4 billion)

TOP 100

most valuable global food brands (27th)

- Prestigious export enterprise in 2021

- Accumulated exports to 57 countries and territories



Buy Vinamilk



VARIOUS PRODUCT EXPERIENCE

- Direct shopping:
 - Nearly **600** Giac Mo Sua Viet stores
 - Nearly **250,000** points of sale across the country
 - Covering the system of supermarkets, convenience stores
- Online shopping:
 - E-Shop giacmosuaviet.com.vn
 - Giac Mo Sua Viet mobile app
 - 13 E-commerce partners such as: Lazada, Shopee, Tiki, Grabmart, Now, Baemin,...

FLEXIBLE PAYMENT METHODS

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

FAST DELIVERY

- Day delivery for orders placed before 10:00 am
- Free delivery for orders over VND 300,000

GREEN CONSUMPTION EXPERIENCE

- Use eco-friendly cloth and biodegradable bags to reduce plastic waste
- Change the packaging orienting to environmental protection: remove the plastic ring around the water bottle cap, reduce the number of yogurt spoons, plastic straw in the product box, reduce the use of shrink film, etc.
- Add the recycling symbol on the packaging of Yogurt and Probi Products



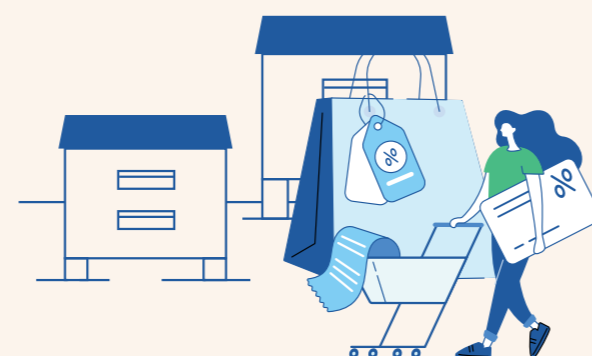
Love Vinamilk

LOYALTY PROGRAM WITH MANY ATTRACTIVE INCENTIVES

- Give customers more opportunities to approach products
- Discount policy, diversified promotion program

LISTENING AND SURVEYING CUSTOMER TASTES

- Customer satisfaction survey:
 - International customers: **98.4%**
 - Domestic customers: **97.7%**
- 100% of calls, email on consultations well served customers



VARIOUS CUSTOMER CARE CHANNELS

- Quickly support and respond with the finest manner to inquiries about nutritional advice or give complaints about product quality.
- Hotline: 1900 636 979 or 028 541 55555 (Key 1)
- Website:
 - Customer care: <https://www.vinamilk.com.vn/vi/goc-khach-hang>
 - Nutrition advice: <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 customer inquiries and complaints on 24/7 basis

Published more than 70 articles on health with topics on nutrition for children, the elderly, women, sick people and prevention from disease due to Covid-19 on the Company's website and newspapers.



Chapter 4

PRODUCT

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BUILDING TRUST

CLEAN PRODUCTION FROM FARM TO TABLE

FROM FARMS

- 13** Farms certified with ISO 9001:2015, GlobalG.A.P standards
- 03** Farms certified EU Organic Standard
- 02** Farms certified China Organic Standard

At Vinamilk, the dairy cows are cared for in a "paradise" environment that creates a comfortable mentality to help the cows stay healthy and produce high-quality and productive milk. In addition, the feed for cows is also designed by international nutritionists and mixed by TMR method



MATERIAL SOURCE

100% of materials are controlled before put into production

88% of Primary Material Suppliers are granted GFSI Certificate

Raw materials are selected from reputable domestic and foreign suppliers.

- Technical requirements for input raw materials are established based on the requirements of applicable laws and international standards
- Supplier risk classification and assessment
- **100%** of new suppliers are evaluated
- **100%** of existing suppliers are assessed annually by a program set up on the ERP system through the criteria of goods quality and service quality
- The goods delivery process are monitored and unscheduled reviews are conducted

Assure

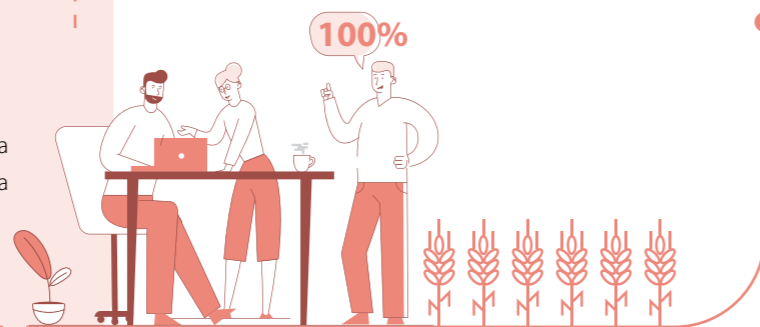
No banned chemicals in animal feed and drink

No pesticides

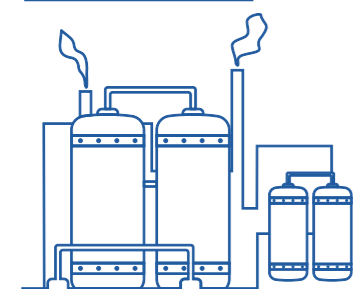
No chemicals for fertilizing the forage fields

No antibiotics

No weight gain



PRODUCTION



- 13** Factories certified with ISO 9001:2015, FSSC 22000, GMP, ISO 17025, Halal, ISO 14001, ISO 50001 Standard
- 02** Factories certified with EU Organic Standard
- 01** Factory certified China Organic Standard
- 01** Factory certified with BRC Standard

PDCA cycle is applied in production in strict compliance with regulations on sanitary conditions of factories, environment, machinery and equipment and personal hygiene according to food processing industry standards. A strict and efficient management system, based on the integration and risk management according to ISO 31000, throughout the operation chain.

1. Plan

- Researching products & establishing engineering processes
- Setting up technical requirements for output products in satisfaction of international standards and regulations
- Analyzing, assessing and controlling hazards at all stages
- Setting up the production control systems
- Validation through appraisal and verification

2. Do

- Production as planned.
- Implementation of production management on the ERP system.
- Establishing a mechanism for addressing nonconformity
- Establishing and maintaining an effective system for emergency response and crisis management

TO PRESERVATION AND DISTRIBUTION

02 Logistics enterprises

certified with ISO 9001:2015, EU Organic standards

The distribution system is not simply about bringing goods to consumers. In fact, the distribution system comes with strict factors such as: warehouse temperature, goods loading method, and shipping method which directly affect the safety and quality of products. Realizing such matters, Vinamilk focuses on building a system of storing, preserving and distributing food in compliance with safety standards to bring the freshest and most delicious products to each consumer.

PRODUCT

At Vinamilk, product quality is a vital factor, the first seed that is cherished, nurtured and cultivated to become a great fruit. That is the value that endures over time, helping Vinamilk to firmly face challenges. Quality is the key of Sustainable Development. In addition, Vinamilk uses QR code traceability technology for product lines such as 100% Organic Fresh Milk, 100% Fresh Milk and Vinamilk Organic Gold Powdered Milk. Accordingly, each product will have only one "Birth Certificate" which is a unique QR code with information encrypted by Blockchain that cannot be replaced, modified or counterfeited. Just scan the QR code at the bottom of the product box, and consumers can easily access full product information.

3. Check

- Strictly following control steps in the production process
- Checking the effectiveness of the traceability system, assumption return on an annual basis
- Internal and external evaluation

4. Action

- Developing a mechanism for recognition of employees' contributions and improvements
- Continuous system innovation

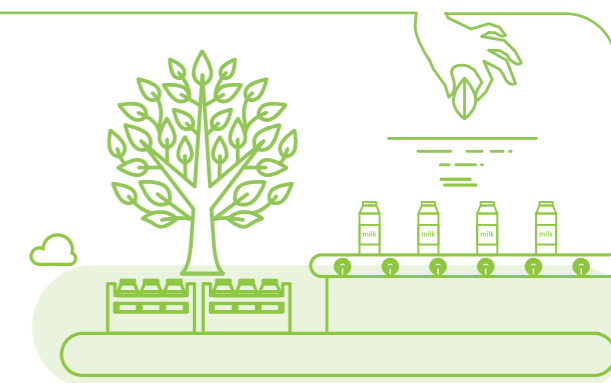


1. Storage and preservation

- Developing technical requirements of products during storage in accordance with the characteristics of each product.
- Building specifications for loading and unloading goods in the storage process
- Building modern infrastructure with control systems on the basis of GMP and ISO 22000 to ensure that products are stored and preserved in accordance with technical requirements.

2. Distribution

- Conducting capacity assessment prior to conclusion of contracts.
- Ensuring that the distributors have obtained certificate of eligibility for food safety.
- Ensuring that infrastructure satisfies requirements on area, environment, and temperature to suit each product's characteristics.
- Ensuring pest control and compliance with the Ministry of Health's requirements on the use of insecticidal and germicidal chemicals and preparations.
- Monitoring process and carrying out periodic and unscheduled reviews.





TRANSPARENCY



“Considering creativity as the vital factor, Quality as the foundation, Vinamilk spread the trust based on transparency”

TRANSPARENCY IN PRODUCT LABELING

Goods label is a way for Vinamilk to “communicate” with consumers. The clear disclosure of the origin and product label information is an important factor contributing to increasing competitiveness in the context of economic integration. The clearer and more transparent information is presented on the label, the more piece of mind and trust the consumers will put in products. Accordingly, all product information of Vinamilk is:



In 2021, no violations of trademark and product declaration were committed by Vinamilk



100%
OF VINAMILK PRODUCTS

- Information on label complies with Vietnamese law.
- Products are declared as required by law.
- Product labels are controlled according to the label and packaging design process with the engagement of Marketing, Research and Development, and Legal departments to assure that information is always truthful, accurate and transparent.

HONESTY AND RESPONSIBILITY IN MARKETING

At Vinamilk, Honesty starts from internal affairs to marketing campaigns on the market. When customers expect sincerity and authenticity from the brand, this will inevitably become a more and more popular trend. Vinamilk ensures to provide consumers with complete and truthful information about the goods and services provided. Marketing activities are conducted legally, honestly, openly and transparently and ensure the legitimate rights and interests of consumers without infringing upon the legitimate rights and interests of other organizations and individuals.

Marketing programs and activities must ensure compliance with relevant laws and regulations of the Company, in particular:



MARKETING PROGRAMS OF VINAMILK ARE MANAGED ACCORDING TO THE FOLLOWING PRINCIPLES:

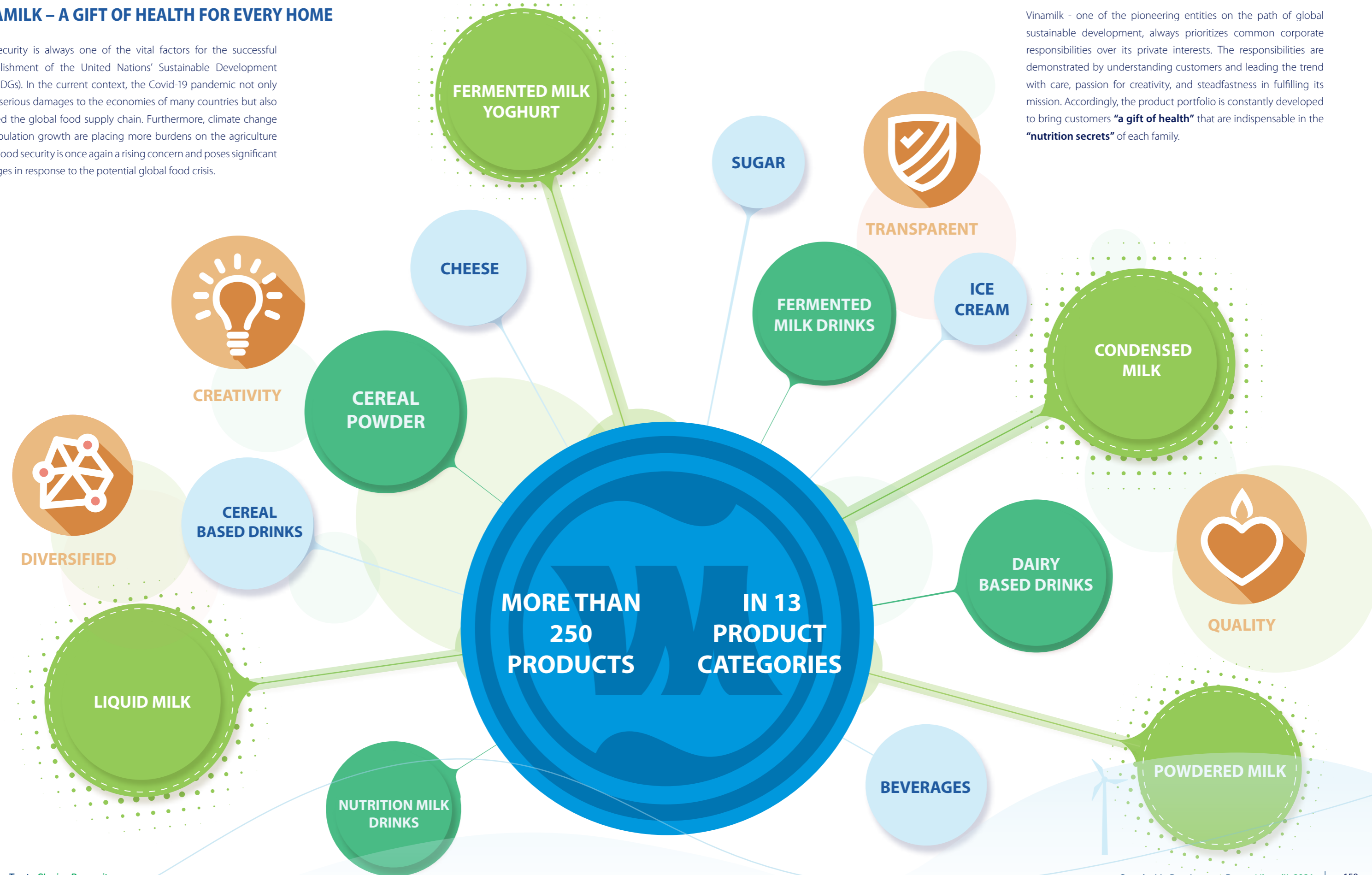
- Be established by specialized department.
- Be reviewed by legal department.
- Be monitored by a continuous monitoring implementation and improvement mechanism.



SHARING PROSPERITY

VINAMILK – A GIFT OF HEALTH FOR EVERY HOME

Food security is always one of the vital factors for the successful accomplishment of the United Nations' Sustainable Development Goals (SDGs). In the current context, the Covid-19 pandemic not only caused serious damages to the economies of many countries but also disrupted the global food supply chain. Furthermore, climate change and population growth are placing more burdens on the agriculture sector. Food security is once again a rising concern and poses significant challenges in response to the potential global food crisis.



Vinamilk - one of the pioneering entities on the path of global sustainable development, always prioritizes common corporate responsibilities over its private interests. The responsibilities are demonstrated by understanding customers and leading the trend with care, passion for creativity, and steadfastness in fulfilling its mission. Accordingly, the product portfolio is constantly developed to bring customers **"a gift of health"** that are indispensable in the **"nutrition secrets"** of each family.



Vinamilk not only diversifies its product categories, but also respects and cherishes each product through formulas with special nutrients that are suitable for physical conditions at all ages and satisfy all the needs of family member.



Essential nutrients for every family



Vinamilk weaning powder is also likened to a “food bag” containing a rich and rich “treasure” as a gift of health for the first month of life of each baby



A perfect nutritional solution that accompanies mothers to establish a foundation for children's health and comprehensive development in the first years of life



Dairy products contain protein, fat, vitamins and minerals, and contain high levels of calcium and phosphorus in balance, necessary for all ages



Yoghurt – not only a friend of all family members, but also a friend of health and beauty



A source of plant-based nutrients helps the body stay healthy with full of energy



Nutrition solutions for special subjects:

- People with diabetes
- Elderly people and poor appetite
- Canxi supplement

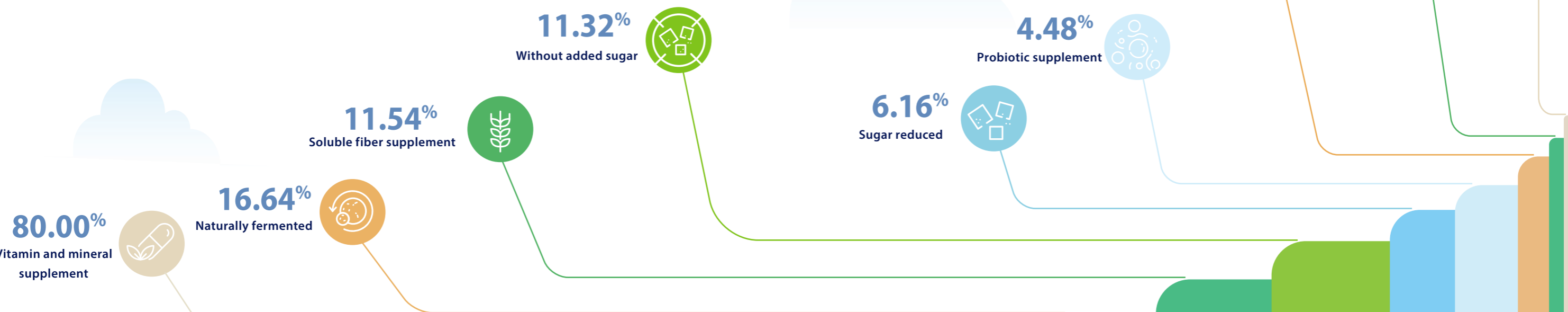




VINAMILK - STAY HEALTHY AND HAPPY EVERYDAY

Covid - 19 pandemic warns us that our health is temporary and easily affected. Instead of focusing on treatment, improving health is an effective shield against illness and old age. It has changed people's daily life, habits and behaviors. More and more people are discovering how to eat foods with their purpose, story, social service and health. The selection of products to create nutritious menus for the whole family is more concerned than ever. It can be said that a menu which is full of nutrients, convenient in all circumstances is a very important because this is the "secret" to keep the whole family safe during the pandemic.

After a tumultuous year, we finally found that family and health are the most important thing. No matter how disturbed life is, one thing that remains constant is the care and desire for the good health of the whole family and happy moments together everyday. Understanding the concerns and worries of consumers, Vinamilk constantly endeavors to accompany and bring nutritional products to help them "Stay healthy and happy every day" and ready to return to the new normal state.





Plant-based products

A great source of nutrients for the body.

Vitamin and mineral supplement

Vitamins and Minerals - Essential nutrients for the body to survive and stay healthy.

Soluble fiber supplement

Soluble fiber facilitates digestion.

Probiotic supplement

Support intestinal immunity, boosting immunity.

Reduced sugar

The tendency of low sugar tolerance suitable for your needs and physical condition replenish your energy to be healthier.

Natural fermentation

Vinamilk products are naturally fermented from pure milk based on European modern technology, without heat treatment after fermentation, keeping the essence of nature.

Organic products

Vinamilk's organic products which satisfy EU Organic standards win the trust of the majority of consumers thanks to great health benefits.

No added sugar

Keeping the natural taste of the products.

Reduced fat

Low-fat foods are the optimal choice for a healthy heart.

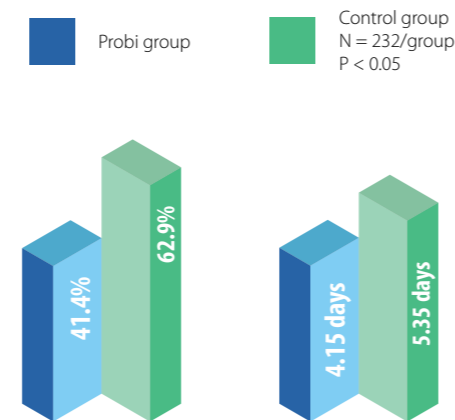


VINAMILK – PROBI KEEPS YOUR HEALTH IN GREEN ZONE OF GOOD IMMUNITY

In the complicated epidemic situation today, parents will feel somewhat more secure with a vaccine green pass. However, which green zone will protect your babies when Covid-19 vaccines for children are not available. Boosting immunity is an indispensable “green pass” to protect the health of the whole family. A strong immunity system will protect our body from the attack of harmful external agents and help our body recover quickly upon infection.

An European Probiotics Group - Chr. Hansen, the father of L.Casei 431™ has studied the effect of these probiotics in prevention of colds and influenza. The findings of the researches conducted on 1,100 Danes and Germans show that daily supplementation of L.Casei 431™ bacteria shortens the duration of colds and influenza. Accordingly, the number of sick days decreases from 8.1 days (for the placebo group) to 4.8 days (the L. Casei 431™ probiotic group); antibiotic use decreases from 38 times to 22 times; demand for health care measures decreased by 22% compared with the placebo group 28%.

Probi yoghurt drinks which contain about 13 billion Chr.Hansen L.Casei 431™ Probiotics produced by modern European fermentation technology enhances your intestinal immunity and resistance, increasing IgA immune index by more than 30%. Probi is the green zone that can protect your babies against the possible infection from outside.



Influenza incidence rate (at least once) Number of sick days

The benefits of using Probi containing the Chr. Hansen L. Casei 431™ probiotics



VINAMILK – ENHANCING VIETNAMESE NUTRITION NUT MILK – THE GLOBAL NUTRITION

Vietnam is facing a challenge of increasing non-infectious diseases including cardiovascular disease, cancer, diabetes, etc. Non-infectious diseases substantially originate from diet, and “Nutrition” is a factor determining the degree of direct impact on human health. Accordingly, Vinamilk has constantly strived to “Enhance Vietnamese nutrition” to bring health-boosting therapy in line with the trend of “Eat Clean - Live Clean” lifestyle by introducing its Nut milk product.

Vinamilk’s nut milk products are produced in a closed technology process in satisfaction of European standards from 100% selected non-GMO materials including high quality walnuts and almonds imported from the US. The product is researched to keep the “origin taste” of nuts and provide a quick and convenient way of protein supplementation, effectively replenishing your energy. In particular, low-fat, low-cholesterol nut-based dairy products are considered to be an excellent source of nutrients for the heart, containing vitamins and minerals, suitable for people with lactose intolerance, making them ideal for those who follow the trend of vegetarian diet and animal protein restriction.





GREEN NUTRITION SOURCE

CERTIFICATION

Vinamilk is the first company in Vietnam satisfying **European Organic** Standard. From the farm, the factory to the final flow of delicious milk, all satisfy the strict European **Organic** Standard

China Organic certification:

- **02** Farms
- **01** Factory

European Organic certification:

- **03** Farms
- **02** Factories
- **01** Raw Milk center
- **02** Logistics Enterprises

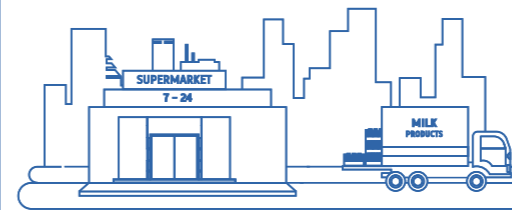


FARM

- Non-GMO Grassland
- No pesticides
- No chemical fertilizers
- Contribute to cleaner air and water pollution reduction
- Cows are free from growth hormones
- Good cows welfare



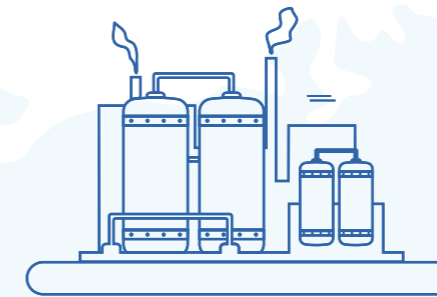
PRODUCTION



Factories with strict, closed and automatic production line
EU Organic and **China Organic** Standards.

Materials satisfy **3 - No Standard**

- No **growth hormon**
- Non **GMO**
- No **antibiotic residue**



In **2019**, Vinamilk was the only Asia representative invited to share Organic at the **13th** Global Dairy Conference held in Lisbon (Portugal) with the participation of companies in **the Top 50 The largest dairy group in the world**.



PRODUCT

2016

Vinamilk was the first Dairy company in Vietnam to produce premium **100% Organic** fresh milk in compliance with European organic standards. The launch of Vinamilk 100% Organic Fresh Milk also marks a turning point for Vinamilk on the integration journey.

2019

Launch of Vinamilk **Organic Gold Powdered Milk** and **Baby Nutrition Powder Organic Gold** - The First **European Organic Brand** In Vietnam.

2020

Vinamilk successfully produced **Organic low-sugar yoghurt** products with **European Organic** certification.

2021

Vinamilk successfully produced and exported Organic Fresh Milk products for the first time certified with "double standards": **European Organic** and **China Organic Standards**.





CONTINUOUS BREAKTHROUGH

THE 25-YEAR JOURNEY OF BRINGING VIETNAM DAIRY TO THE WORLD

VIETNAMESE FLAVOR – VINAMILK FLAVOR

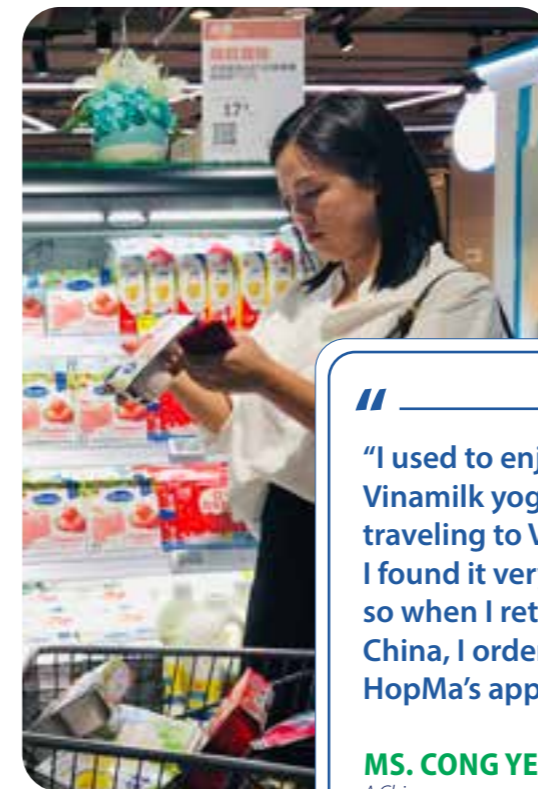
Market access is the most difficult thing for any enterprise which desires to enter a new market. Vinamilk is no exception, especially in an industry where Vietnam has almost no strength. Overcoming the “Barriers” including quality product, compliance with the foreign countries’ standards is one of the prerequisites. However, this factor has not been able to help Vietnamese products reach foreign consumers.

Understanding this problem, Vinamilk conquers overseas Vietnamese consumers with **“Vietnamese flavor - Vinamilk flavor”**. By introducing the dairy products that are familiar with them, these Vietnamese people will become the “Bridge” to help Vinamilk conquers foreign consumers.



Vinamilk “Ong Tho Condensed Milk” has been present in more than **21 countries**, successfully opening many markets, including demanding markets such as Korea, Japan, ect.

In addition, “Vietnamese flavor” not only conquers foreign consumers through the introduction of overseas Vietnamese peoples but also conquers visitors to Vietnam. Such products as “Vietnamese-style yoghurt” successfully approach consumers from China, the most populous country on the planet, when they travel to Vietnam.



“I used to enjoy Vinamilk yoghurt when traveling to Vietnam. I found it very delicious, so when I returned to China, I ordered it on HopMa’s app.”

MS. CONG YEN
A Chinese consumer



If quality and international standards are considered a “passport”, **“Taste”** and **“Brand”** are **“pilots”** to help Vinamilk boat go further on the journey to bring Vietnamese Milk to the world. That’s because Vinamilk products **“integrate but not dissolve”** – They are researched to suit the tastes of international consumers but still retain the typical flavors of the 45-years-old Vietnamese dairy brand.





PERFECTLY-FIT PRODUCTS

Vietnamese flavor has always been a “competitive weapon”, but for Vinamilk, it is not enough to reach out to the world. In the 25-year journey of conquering the world market, Vinamilk has applied the corporate philosophy of considering product “quality” as a prerequisite to conquer global consumers.

To accomplish this goal, Vinamilk’s products are perfectly produced from research of products and analysis of market and taste in each country and region, thereby creating products that “fit” and are suitable for local consumers in each country.

In 1997, Vinamilk exported its first batch of Dielac powdered milk product for children to the Middle East. This is also the first exported batch of Vietnamese milk. Nearly 25 years have passed, Dielac has always been a companion of many generations of children in this region.



In Africa, Vinamilk has researched and developed nutritional powder and milk powdered milk product lines to meet the needs of supplementing micronutrients, especially Vitamin A and essential vitamins and minerals for physical growth of children here.

Regarding the “perfectly fit” products that help Vinamilk enter foreign markets, perfectionism and even “demanding” in research is the “anchor” for the company to maintain its foothold in the most competitive markets. It can be said that the combination of two factors namely locally fit products and international standards have helped Vinamilk enter 57 countries and territories around the world, including the most demanding markets such as the US, Japan, Korea, Singapore, ect.

COMPANION FOR CO-DEVELOPMENT

In order to firmly move forward and become more and more successful in the journey of reaching out to the world, Vinamilk consistently pursues the philosophy of “Prestige and Companion”. New products are chosen by partners and consumers based on prestige and sharing. This is clearly reflected in the context of unprecedented challenges for the global economy due to the Covid-19 pandemic in the past two years.



In order to firmly move forward and become more and more successful in the journey of reaching out to the world, Vinamilk consistently pursues the philosophy of

“Prestige and Companion”

“

For nearly 2 years under the impact of the Covid 19 pandemic, Vinamilk not only accompanied and shared difficulties but also supported us in shifting to e-commerce.

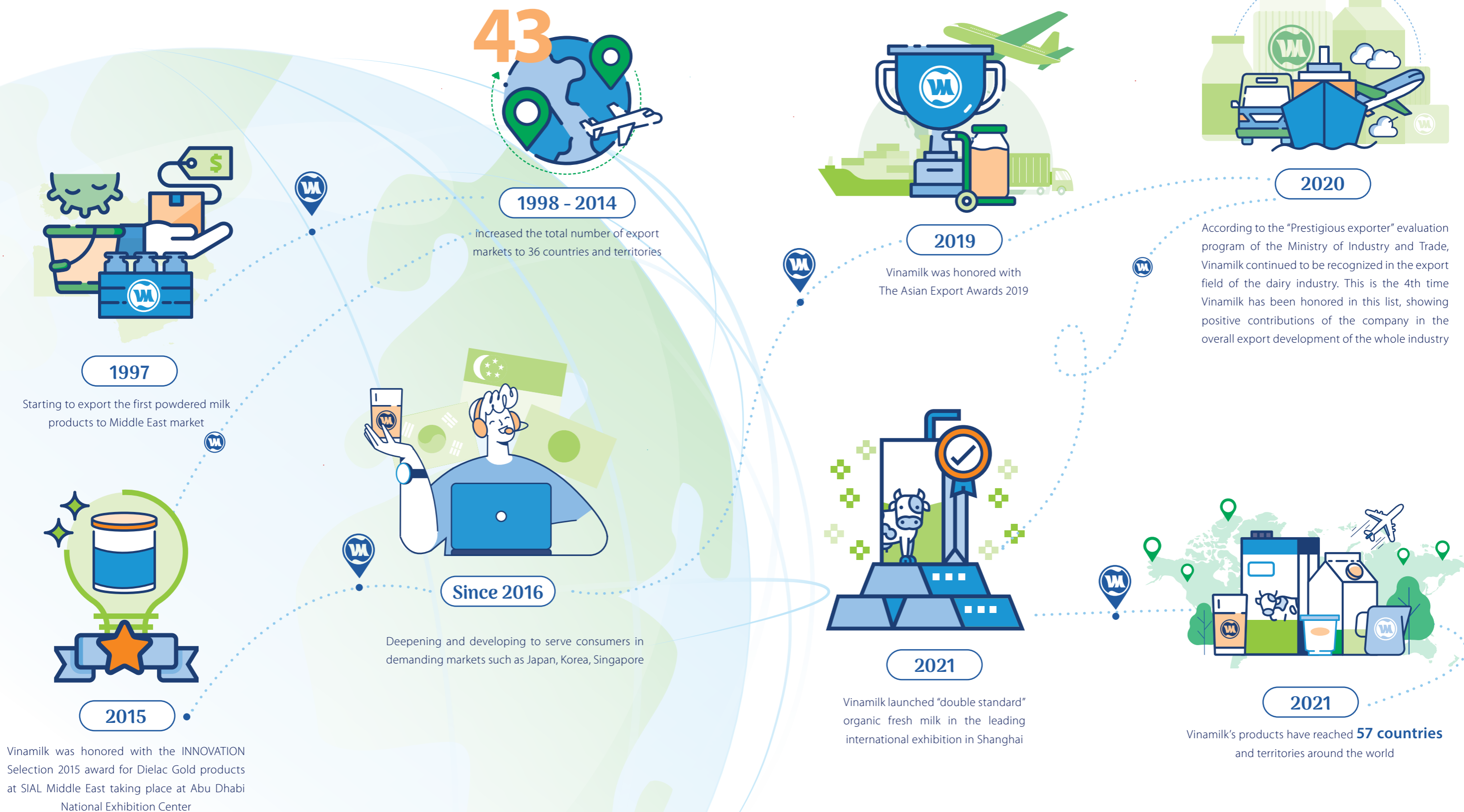
MR IVAN TAN

Singapore Partner





MILESTONES OF VIETNAMESE DAIRY PRODUCTS IN THE INTERNATIONAL ARENA





GO FURTHER ON A BREAKTHROUGH JOURNEY

2021 was a turbulent year when the whole world in general and Vietnam in particular were more severely affected by the Covid pandemic than ever. Most enterprises were affected, even some of them had to cease their production and business activities.

However, Vinamilk, a leading enterprise in the industry has shown its persistence and strength amidst the “turbulence” of Covid. The “giant boat” of Vietnam’s dairy industry has quickly adapted, driving the engine to overcome the waves and move forward. That is reflected in our efforts to bring advanced nutrition solutions in line with the global trends and inspire the community with spiritual energy.



Indeed, Innovation for survival, Innovation for breakthrough are always the factors that help Vinamilk go further on “Giac mơ Sữa Việt” journey “Vietnamese Milk Dream”. Vinamilk has constantly made breakthroughs and innovations in thinking and acting promptly and urgently in the process of creativity and innovation in order to bring valuable, nutritious and suitable products satisfying all demands of customers. Vinamilk has been on a journey to elevate its mission - For a breakthrough journey towards the Top 30 largest dairy companies in the world.

In 2021 Vinamilk has successfully researched and launched to the market





PRODUCT RESPONSIBILITY INDICATORS IN 2021

INDICATORS	OUTCOME
Number of factories certified with ISO 9001: 2015; FSSC 22000	13
Number of factories with laboratories certified according to ISO 17025	13
Number of factories registered with US FDA	7
Number of factories with certificate of satisfaction of the milk production method according to European Organic standard	2
Number of factories with certificate of satisfaction of the milk production method according to China Organic standard	1
Number of farms certified with GlobalG.A.P standard	13
Number of farms certified with European Organic Standard	3
Number of farms certified with China Organic Standard	2
Number of food safety and hygiene violations	0
Number of product recall cases due to quality failure	0
Total number of incidents of non-compliance with regulations and standards (voluntary participation) with respect to health and safety impacts of products and services throughout the life cycle	0
Total number of incidents of non-compliance with regulations and voluntary rules with respect to product and service information and labeling	0
Selling prohibited and disputed products	0
Total number of cases of non-compliance with communication and marketing laws and voluntary regulations, including advertising, promotion and sponsorship by result type	0
Total number of documented complaints about a breach of customer privacy and loss of customer data	0
Monetary value of significant fines against non-compliance with laws and regulations governing the provision and use of products or services	0





Chapter 5

NATURE

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VINAMILK – GREEN FOOTPRINT ON THE FUTURE REGENERATION JOURNEY

ENERGY

Energy management
system according to
ISO 50001

Energy consumption
1,837 kJ /ton of products

9

The plant using a green
energy steam system

10 **13**
Factories Farms

with solar
energy systems

100%

Factory and Farm
using led lights

PLASTIC REDUCTION

Application of Circular Economy

69 innovations to reduce
plastic, save energy and
resources

SOIL AND MICROCLIMATE

Agricultural practices
according to
international standards:

- GlobalG.A.P
- European Organic
- China Organic

602.9 hectares
of organic farming land



100%

FARM FREE
FROM
CHEMICAL
FERTILIZERS

WATER

5.4%
OF RECYCLE
AND REUSED
WATER

Environmental management
system according to

ISO 14001

Using
5.84 m³ /ton of products

CARBON FOOTPRINT

CO₂ emission
215.22 kg /ton of products

No violations of law
No environmental problems

ANIMAL WELFARE

GOOD COW WELFARE

PRACTICE ACCORDING TO GLOBALG.A.P
INTERNATIONAL STANDARDS AND
ORGANIC AGRICULTURE STANDARDS

EMISSIONS

100%

of wastewater from
production activities is
treated to satisfy standards
before being discharged
into the environment

Household waste emission

1.35

kg/ton of products

Hazardous waste emission

0.15

kg/ton of products

Scrap emission

7.60

kg/ton of products

100%

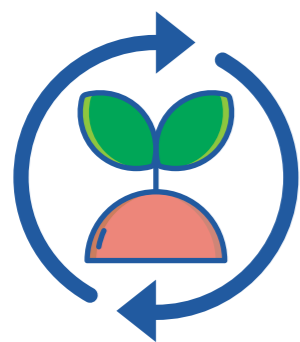
of contractors involved
in waste treatment are
licensed to practice



THE PRINCIPLE OF SUSTAINABILITY IS IN HARMONY WITH THE FORCES OF NATURE

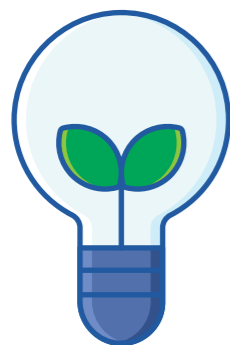
The global commitment to Sustainable Development change offers a profound opportunity to address structural social and economic changes. This goal will not be achieved without environmental sustainability, economic stability and social cohesion, especially in the global context of accelerating recovery from the effects of the Covid-19 pandemic and increasing climate change crisis, pushing human beings further and further away from the sustainable development goals set out under the 2030 Agenda.

As a healthy and active manufacturer, beyond its responsibility to provide consumers with nutritious and diverse products, Vinamilk has always kept in mind its long-term commitment to protection of the natural living environment and regeneration of a green future. We are constantly innovating and continuously focusing on finding new ways to conserve resources, reduce waste and effectively use natural resources, accompanying the Government and other stakeholders in response to climate change.



Soil

- Organic livestock farming.
- Good agricultural practices.
- Application of science and technology to land cultivation.
- Crop rotation, maximizing the sources of organic fertilizers used for the soil to replace chemicals and inorganic fertilizers.
- Planning fields suitable with the topography to limit soil leaching out and erosion.



Energy

- Exploiting clean energy, new energy and renewable energy.
- Prioritizing the use of advanced equipment and technologies to save energy.
- Applying technical criterias on energy consumption to new equipment and technologies in investment/upgrading/replacing old equipment and technologies to save energy and reduce emissions, pollutants into the environment.
- Continuous innovation for improving the effectiveness and efficiency of the ISO 50001 Environmental Management System.



Water

- Ensuring water resources are exploited, used economically and efficiently, and waste sources is controlled.
- Regular training to raise awareness, guide and encourage the participation of all employees to contribute ideas and advice on exploiting and using water resources economically and efficiently.



Resources

- Maintaining and improving continuously, making all efforts in working out solutions to prevent pollution, increase efficiency in using resources and materials to prevent or minimize adverse impacts on the environment and life according to the criteria of environmental protection and climate change response.
- Circular economy application.



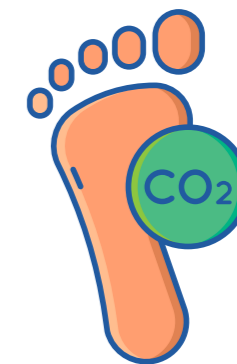
Biodiversity

- Compliance with regulations of Law on Biodiversity, joining hands in implementing national action plans on biodiversity conservation.
- Protecting natural terrestrial ecosystems and habitats of species: No deforestation, no burning of fields, no hunting and driving away wild animals.
- Prevention, strictly and effective control of invasive alien species.
- Improvement of soil quality and maintenance of soil structure to contribute to soil biodiversity.
- Minimizing the use of chemical fertilizers and chemical pesticides in agricultural cultivation.



Waste

- Reducing household and hazardous waste, increasing recycling and reuse of waste.
- Continuous innovation for improving the effectiveness and efficiency of the ISO 14001 Environmental Management System.



Carbon Footprint

- Reduction of the carbon footprint on the green growth roadmap.
- Environmental protection and climate change response.
- Supporting and accompanying to fulfill the commitments on the greenhouse gas emission reduction roadmap of the world and Vietnam, especially making efforts to implement mechanisms under the Paris agreement to achieve net emissions of "zero" by 2050.
- Regularly communicating and raising awareness about greenhouse gas emissions and impacts of climate change for employees, and encouraging the application of initiatives and ideas that are effective in reducing greenhouse gas emissions.
- Encouraging suppliers and partners to join hands to protect the environment and use natural resources responsibly.



Cows welfare

- Cows are always respected, cared for and their living needs are best served to keep them healthy, active and happy.



GENERAL ASSESSMENT OF ENERGY - RESOURCE CONSUMPTION & EMISSIONS IN 2021

In 2021, by maintenance of policies and comprehensive implementation of solutions for efficient use of energy and resources, application of circular economy, Vinamilk recorded positive signs in the effective use of energy and resources.

However, the common problem of enterprises when applying “3 on-site measures” during prolonged social distancing is the increasing demand for water to serve the demand of employees and improving hygiene for disease prevention. At the same time, enterprises must handle the amount of waste generated by Covid-19 pandemic response activities such as used masks and gloves, along with other types of waste.



About energy

Despite the sharp increase on the demand for energy use of employees' daily life during the period of “3 on-site”, the energy index 2021 recorded a positive result as it slightly decreased compared to 2020. That is a result of efficient energy use and management processes.

About resources

The impact of climate change and the Covid-19 pandemic increased the demand for water on farms to serve the cows and daily activities of employees during the “3 on-site” measures period at the units. In addition, in 2021 Vinamilk added the data of Quang Ngai farm to the report. This is a new farm with no milk output at the early stage. Those are the reasons leading to an increase in the water use index/ton of products in 2021 compared to the previous year.



About emissions

In 2021, Vinamilk adjusted the formula for calculating greenhouse gas emission factor compared to previous years. Accordingly, the emission factor of the updated Vietnamese power grid increased from 0.6612 to 0.8458 (according to the announcement of the Climate Change Department, Ministry of Natural Resources and Environment) resulting to an increase in the emission index/ton of products in 2021 compared to previous years.

In addition, the flexibility in applying responsive measures to the Covid-19 pandemic enabled enterprises to assure the goal of maintaining production, but also lead to an increase in waste.



Savings
VND 2.44 billion



Plastic consumption reduction
997 kgs of plastic



Power consumption reduction
170,748 kWh/year



Oil consumption reduction
100,979 kg/year



Water consumption reduction
86,106 m³/year



Chemical use reduction
980 kg/year



RESOURCES - ENERGY CONSUMPTION - EMISSIONS PARAMETERS IN 2021

Energy



		LIVESTOCK FARMING	PRODUCTION	SELF - SUPPLY OF FINISH PRODUCTS	SUPPLY OF RAW MILK
Diesel Oil	Consumption amount (kg)	1,365,093	2,107,212	2,192,226	472,913
	Average (kg)/ton of products	8.78	1.71	9.45	4.58
Fuel Oil	Consumption amount (kg)	-	1,435,039	-	-
	Average (kg)/ton of products	-	1.17	-	-
Gasoline	Consumption amount (kg)	-	-	189,025	6,775
	Average (kg)/ton of products	-	-	0.81	0.07
Gas	Consumption amount (kg)	-	308,978	3,060	-
	Average (kg)/ton of products	-	0.25	0.01	-
Electricity	Consumption amount (kWh)	39,894,336	163,031,110	2,493,333	313,069
	Average (kWh)/ton of products	256.45	132.39	10.75	3.03
Biomass	Consumption amount (ton of steam)	-	243,224	-	-
	Average (ton of steam)/ton of products	-	0.20	-	-
CNG	Consumption amount (mm BTU)	-	230,590	-	-
	Average (mm BTU)/ton of products	-	0.19	-	-
Total Energy Consumption (MJ)		205,449,997	1,899,541,321	112,609,066	21,777,383
Average MJ/ ton of products		1,320.70	1,542.54	485.48	211.08
Resources	Groundwater consumption (m³)	1,940,122	1,361,527	-	-
	Surface water consumption (m³)	656,960		-	-
	Tap water consumption (m³)		3,202,207	-	26,647
	Average (m³)/ ton of products	16.69	3.71	-	0.26

Emissions



	LIVESTOCK FARMING	PRODUCTION	SELF - SUPPLY OF FINISH PRODUCTS	SUPPLY OF RAW MILK
Hazardous waste (kg)	39,416	116,900	23,386	
Average (kg)/ ton of products	0.25	0.09	0.10	-
Scrap (kg)	284,277	9,050,406	19,762	-
Average (kg)/ ton of products	1.83	7.35	0.09	-
Domestic waste (kg)	699,383	773,614	126,232	59,100
Average (kg)/ ton of products	4.50	0.63	0.54	0.57
Total amount of waste reused, recycled and otherwise recovered (kg)	284,277	9,050,406	19,762	-
Total amount of waste treated by methods such as incineration, bury (kg)	738,799	890,514	149,618	59,100
Total output wastewater (m³)	-	3,539,471	-	21,318
Total water consumption (m³)	2,597,082	1,024,263	-	5,329
Total emission (kg) (*)	89,304,631	164,181,797	9,744,916	1,798,774
Average (kg)/ ton of products	574.08	133.33	42.01	17.43



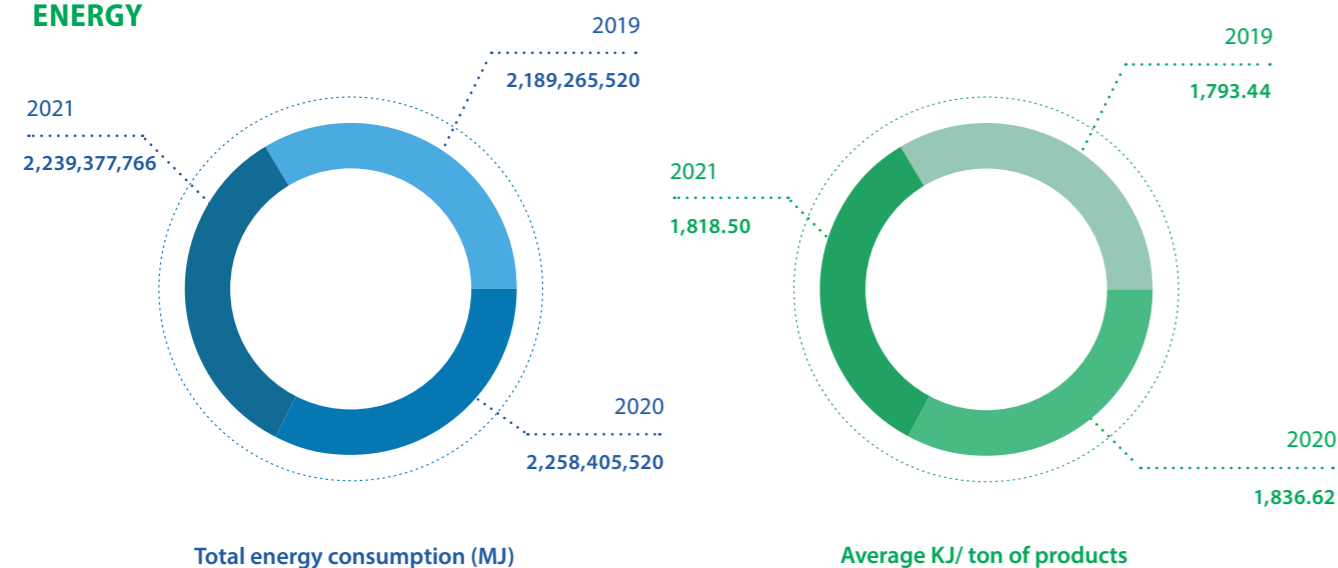
(*) Total greenhouse gas emissions include:

- Scope 1. Direct emissions from equipment using FO, DO, gasoline, gas, CNG and emissions from cows and veals.
- Scope 2. Indirect emissions from electrical equipment.
- Scope 3. Emissions from wastewater of production activities.

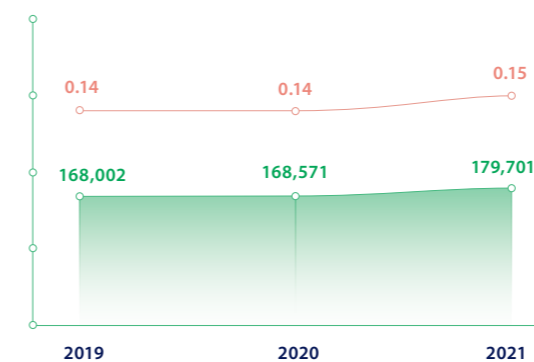


RESOURCE - ENERY CONSUMPTION - EMISSION PARAMETERS IN 03 YEARS (2019-2021)

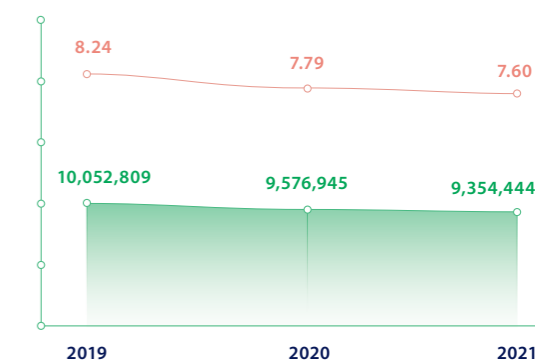
ENERGY



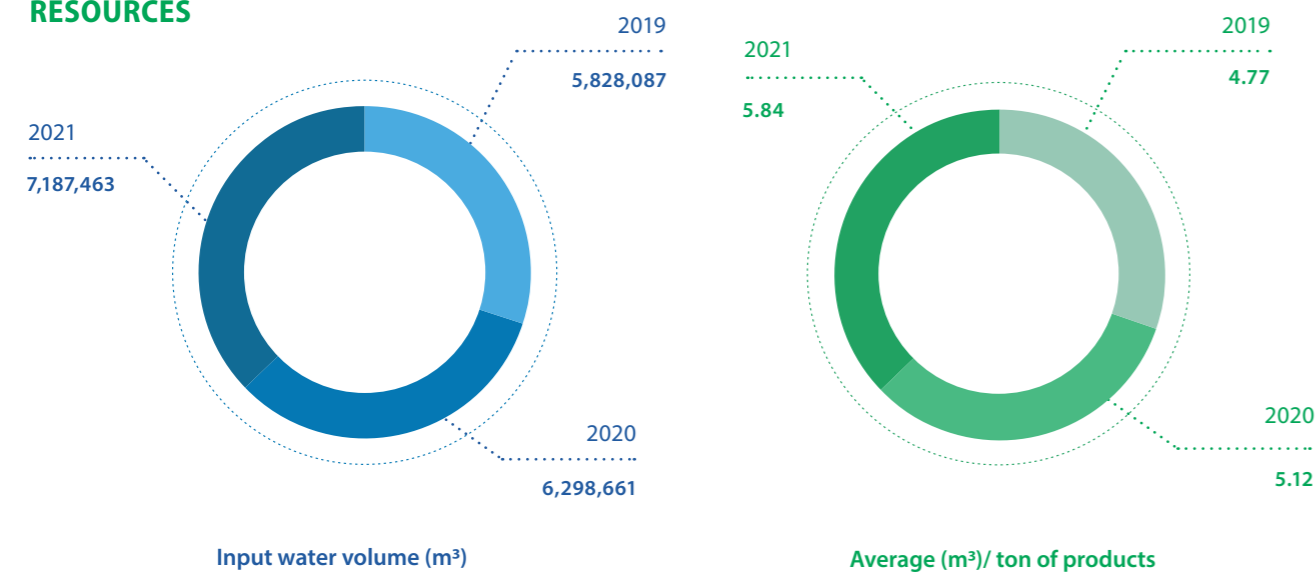
EMISSIONS



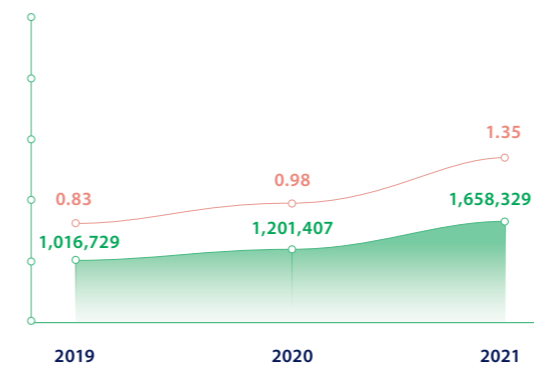
EMISSIONS



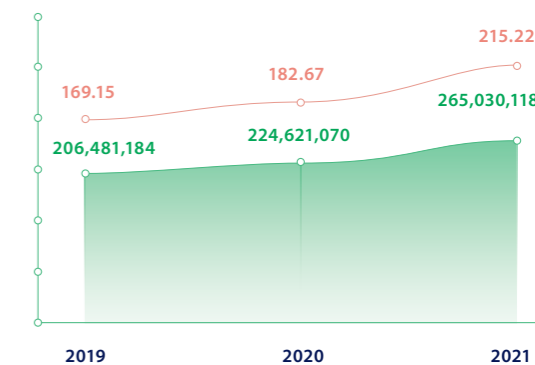
RESOURCES



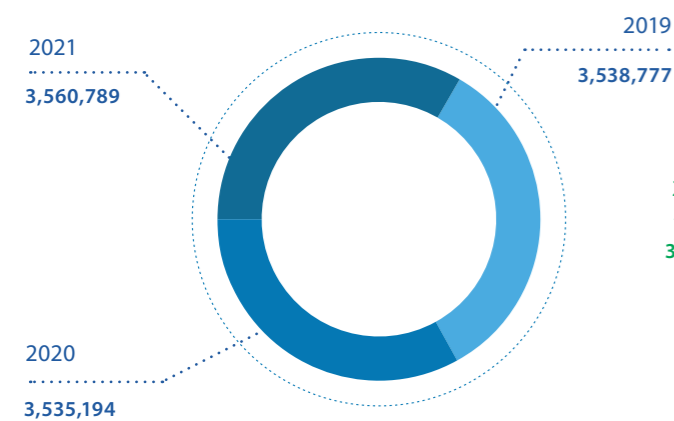
EMISSIONS



CARBON FOOTPRINT



TOTAL OUTPUT WASTEWATER (m³)



TOTAL WATER CONSUMPTION (m³)



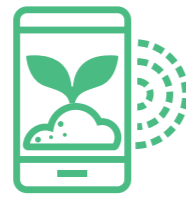


SUSTAINABLE LAND MANAGEMENT AND BIODIVERSITY PROTECTION

Reducing environmental impact of agriculture is a key to protect biodiversity, combating climate change and build sustainable food system.

Besides consulting, communicating and supporting farmers towards regenerative agricultural practices, improving soil health and positively affecting the biodiversity, Vinamilk always focuses on nature-based solutions to maintain soil nutrients and protect biodiversity through activities such as organic livestock farming, good agricultural practices, application of sciences and technology in cultivation, crop rotation, maximizing the source of organic fertilizers to replace chemicals and inorganic fertilizers, and minimizing waste to the environment.

Soil risk assessment



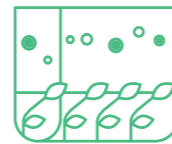
Soil analysis and planning



SOIL REGENERATION CYCLE



Rotation to improve soil



Practice of farming according to good and organic agricultural practices



Setting up an irrigation system



Improvement and standardization by purpose



100% of Vinamilk farms have self-cultivation land using organic fertilizers in replacement of inorganic and chemical fertilizers.

IMPROVEMENT AND MAINTENANCE OF SOIL NUTRIENTS

In order to reduce soil erosion, maintain nutrients and improve soil, Vinamilk's farms periodically rotate crops and expand green areas to balance the ecosystem inside the farm and protect sustainable soil resources.

Planting crops that provide forage for dairy cows and rotating legume crops



INVESTMENT COST VND **22.1** BILLION

Meeting the demand of

30,659 TONS OF

forage for cows and calves

Greening

1,111 hectares

of pasture land, limiting leaching out, erosion and improvement of soil

No field burning, no wild animal hunting.

100% of farms have no recorded cases of burning fields and hunting wild animals.



Crop rotation on Lao Jagro farm



Workers are cutting the grass - Quang Ngai Farm



Planting trees for greening the farm

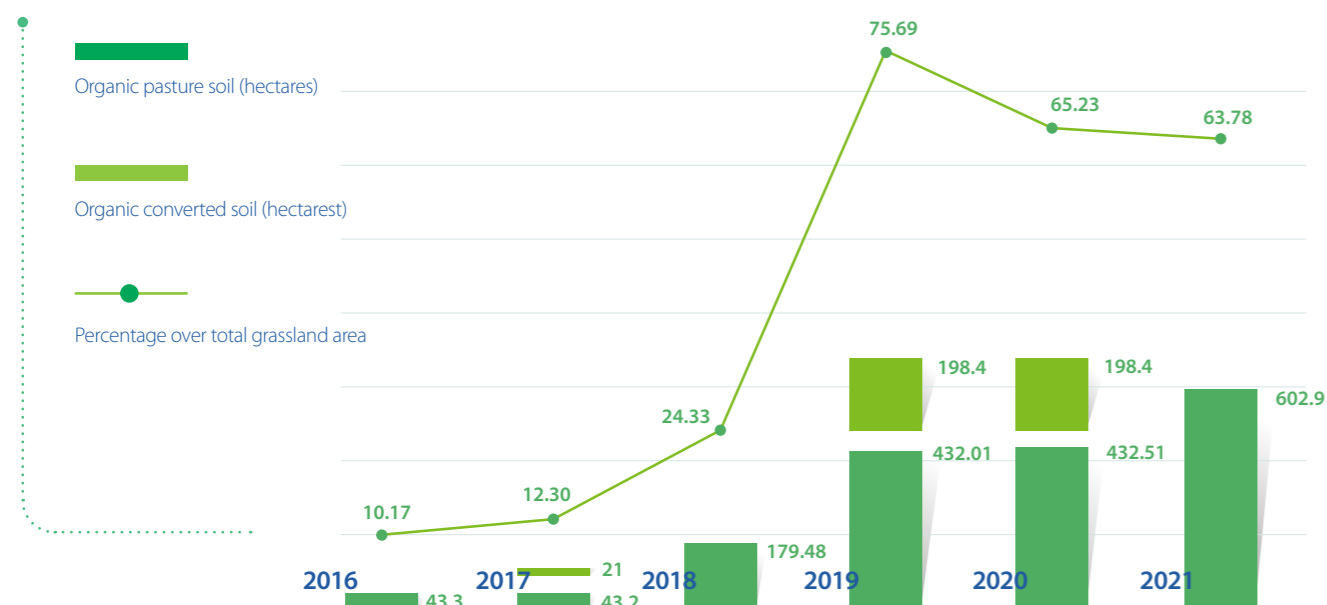


ORGANIC LIVESTOCK FARMING

General principles of organic livestock farming applied at Vinamilk

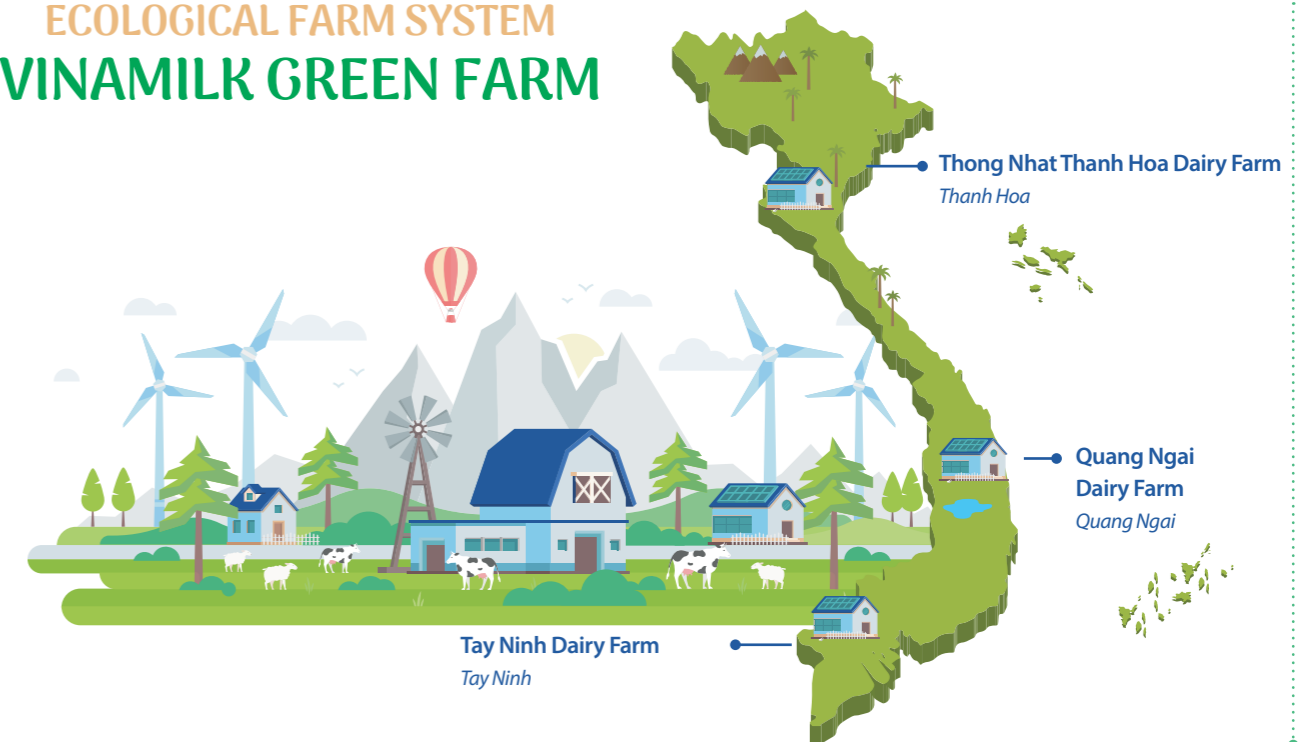
- No use of pesticides, chemical fertilizers, GMOs and growth hormones.
- Protecting the environment, reducing soil degradation and erosion, reducing pollution, optimizing biological productivity and promoting healthy ecosystems.
- Maintaining soil fertility, optimizing conditions for biological activities in the soil.
- Maintaining biodiversity.
- Maximize recycling of materials and resources.
- Good cow welfare.
- Creating organic products.
- Prioritizing the use of renewable resources in local agricultural systems.

Vinamilk organic farm journey



Green area on Dalat Organic farm

ECOLOGICAL FARM SYSTEM VINAMILK GREEN FARM



In 2021, Vinamilk launched an eco-friendly farm model with 3 farms in Thanh Hoa, Quang Ngai and Tay Ninh. In addition to organic farms, the birth of Vinamilk Green Farm eco-farm made a new progress on Vinamilk's journey of green livestock development, bringing livestock farming closer to nature.

"We expect that Vinamilk's Green Farms will play a pioneering role in green production and make a progress in developing the dairy cow farming industry in a sustainable and environmentally friendly direction."

4 Distinctive features of VINAMILK GREEN FARM

ECOLOGICAL HABITAT

Regulating Lake & Natural Groundwater



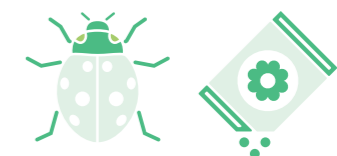
NATURAL FOOD SOURCES

Nutritious Mombasa grass, Ruzi and Oats, fresh corn



NO USE

of Chemical Pesticides & Chemical Fertilizers



PUREBRED COW BREED

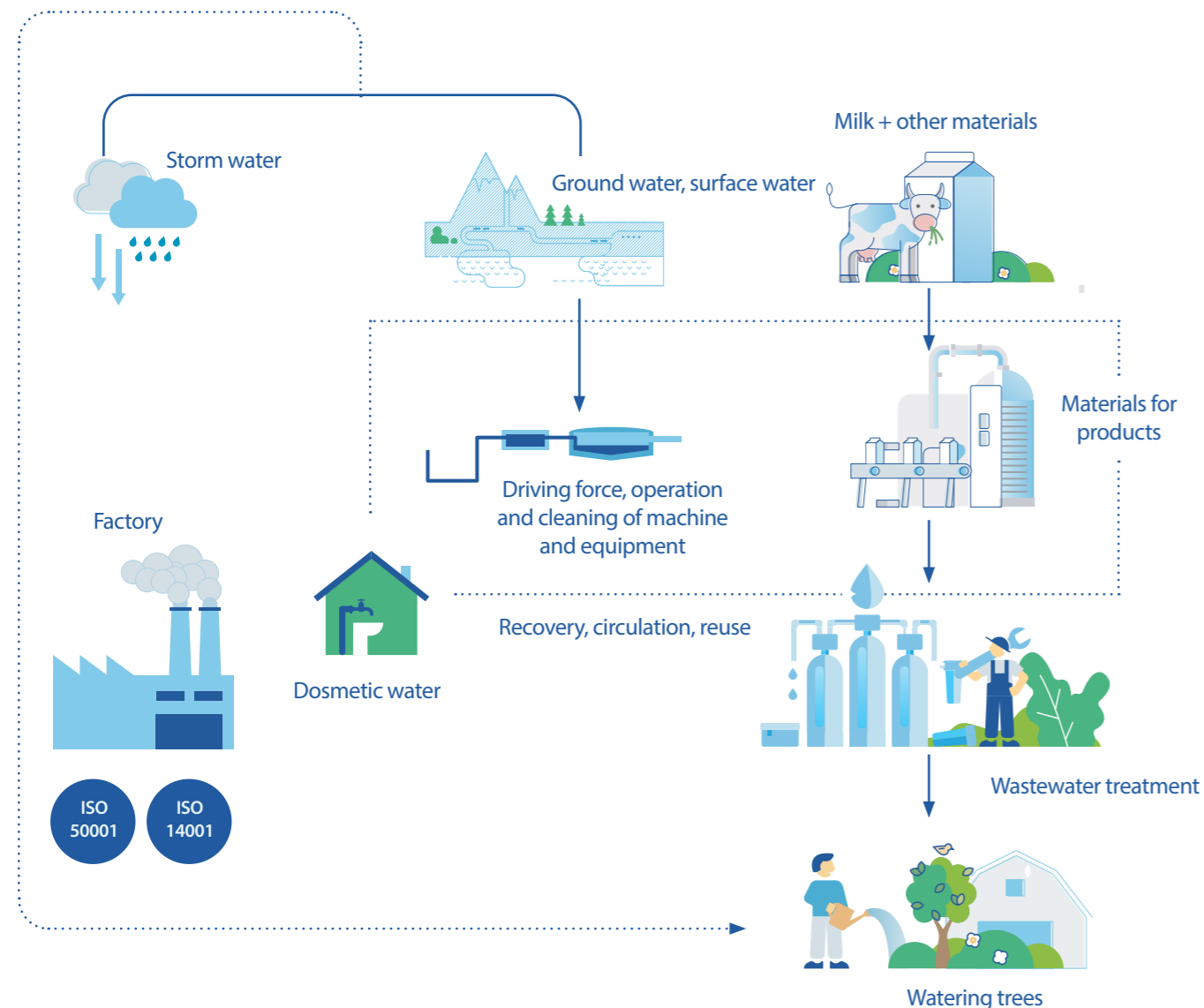
Imported directly from the US, Australia, New Zealand





WATER CONSUMPTION EFFICIENCY AND RESPONSIBLE MINING

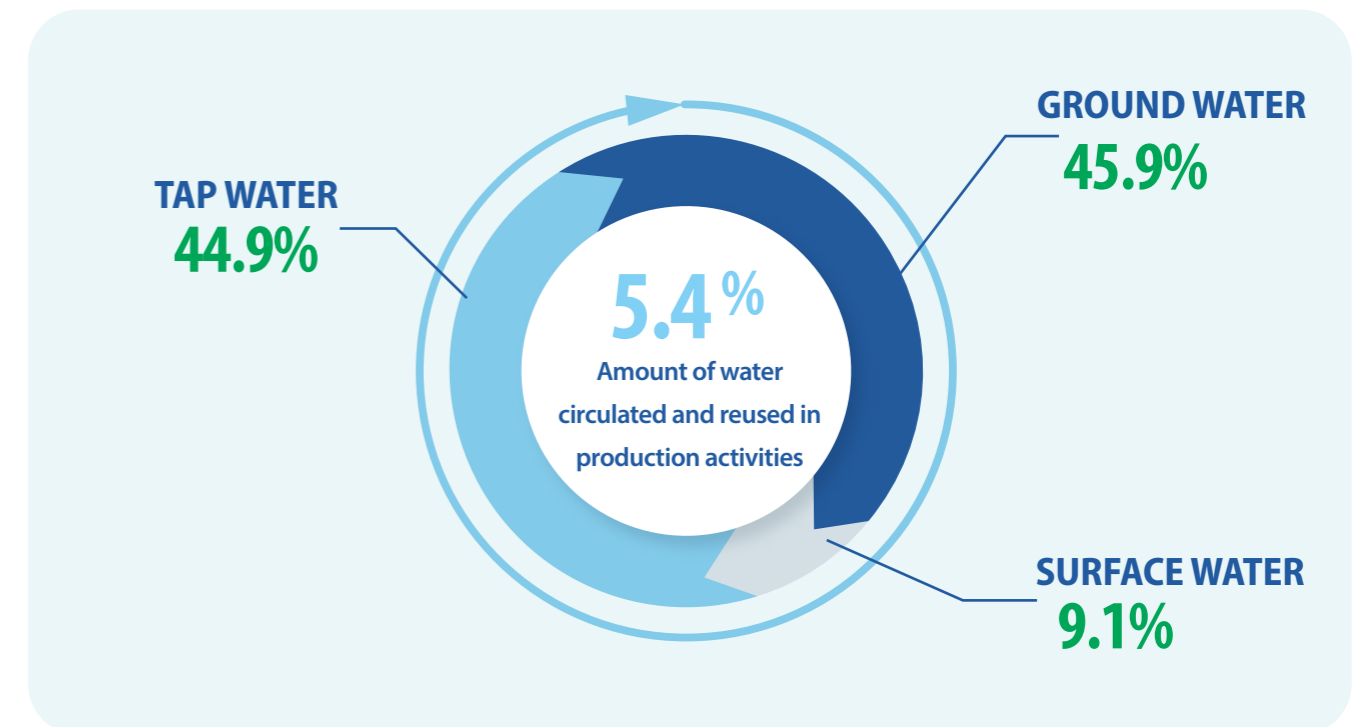
Fresh water is the most important natural resource on Earth, and Vinamilk determines that it is the responsibility of manufacturers to use water economically and efficiently to protect and maintain clean water for future generations.



Waste cycle in production activities

100% of wastewater from operations at Vinamilk's units is treated to satisfy standards before being discharged into the environment. Water from livestock activities is completely treated and reused for irrigation and ensures no effect on the surrounding environment.

Ratio of watersources used



Using cooling water from the pasteurization system to defrost cold storage warehouse

Power saving
1,800
(kWh/year)



Saving water in the CIP process, using tank water to expel recovered chemicals instead of local water

Water saving
28,278
(m³/year)



Recovery of condensed water during production

Water saving
35,036
(m³/year)



INNOVATIONS



Reuse of the treated wastewater to clean the wastewater treatment area and feed the sludge press 18,250

Water saving
18,250
(m³/year)



SUSTAINABLE ENERGY

The depletion of the ozone layer and the threat of global warming is increasing, in which energy is one of the major contributions to climate change, accounting for about 60% of total greenhouse gas emissions worldwide. In 2021, CO₂ emissions from the global energy sector increased by 6% to 36.3 billion tons, the highest rate ever. Addressing the issue of reducing greenhouse gas emissions from energy sources is the key to better protect environment and possibly reduce the negative impacts of climate change.

Over the years, Vinamilk has always aimed to reduce its impact on the environment by selecting investment projects, improving operating methods, and always looking for opportunities for improvement of energy management and efficiency, promoting the use of renewable energy, replacing and gradually reducing fossil energy in the operations chain, aiming to save energy and reduce greenhouse gas emissions.

Energy saving and efficient solutions

1 - Financial solutions

- Investment in green energy projects.
- Cost saved from energy initiatives will be reinvested in economical and efficient use of energy.

2 - Solutions on investment in building employees' capacity

- To selectively invest in the selection of consultants for design, testing, energy audit, energy management system consulting and other consulting activities.
- To train and improve management capacity for managers and energy managers.
- To communicate, provide information, propaganda and education to raise awareness about energy saving.
- To maintain and replicate new and renewable energy application models (biomass, biogas, solar energy, etc).

3 - Solutions on science and technology application

- Continue to invest in application of new forms of energy, clean energy, and renewable energy into production and business activities.

4 - Solution on cooperation

- To cooperate with organizations and entities in the field of energy training and management to improve the capacity of staff working in the field of economical and efficient use of energy.

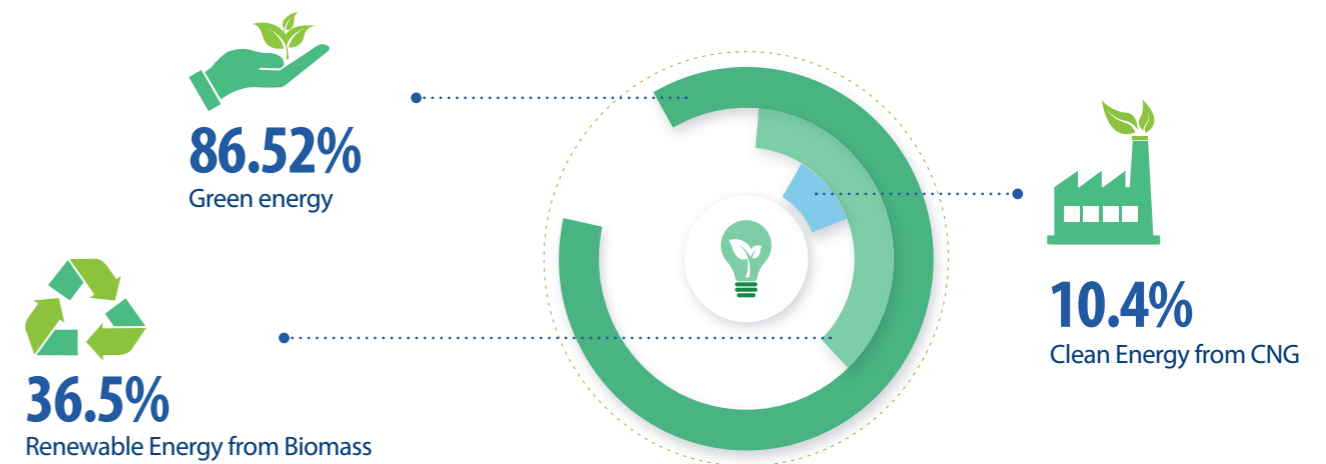
5 - Optimizing operation time of machines and equipment

- Assign operation time for each equipment cluster during the day, suitable for production time
- Reduce electricity usage during peak hours to save costs.
- Periodic maintenance of machines and equipment according to the plan and content to optimize operations and increase energy efficiency.
- Develop energy norms for vehicles to evaluate performance and fuel management.







GREEN ENERGY – THE LAUNCHING PAD TO SPEED UP ON THE RACE TO “NET ZERO”


Vinamilk's fuel consumption for production activities



Realizing the orientation towards sustainable energy, Vinamilk has invested in installing a solar energy system on the farms chain and factories, this is a launching pad to help Vinamilk significantly reduce energy costs, move towards the goal of reducing CO₂ emissions to the environment and speeding up on the journey to “Net Zero” on greenhouse gas emissions.

Solar energy system on Vinamilk Farm

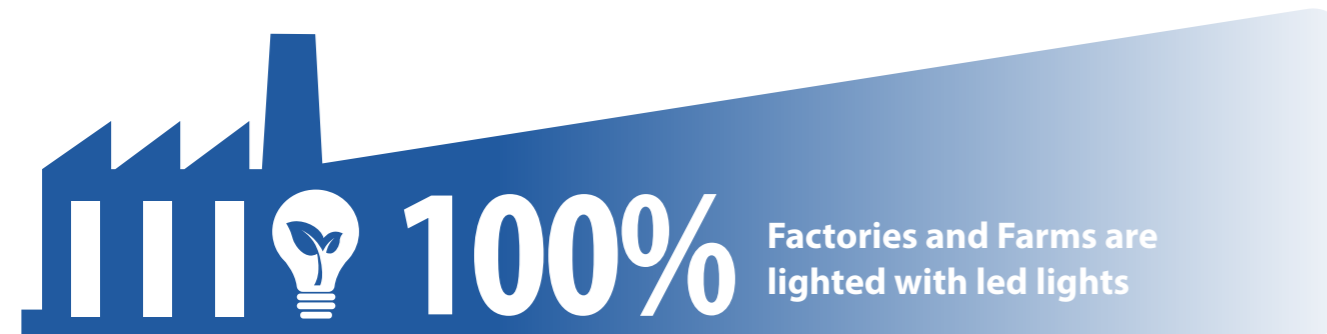
SOLAR POWER SYSTEMS ARE INSTALLED AT	INSTALLED CAPACITY (MWp)	EQUIVALENT TO CO ₂ REDUCTION (TONS/YEAR)	EQUIVALENT TO THE NUMBER OF TREES PLANTED (million trees)
			
Head office and 10 factories	18.55	22,578.42	1.2
13 Farms	54	62,341	3.4



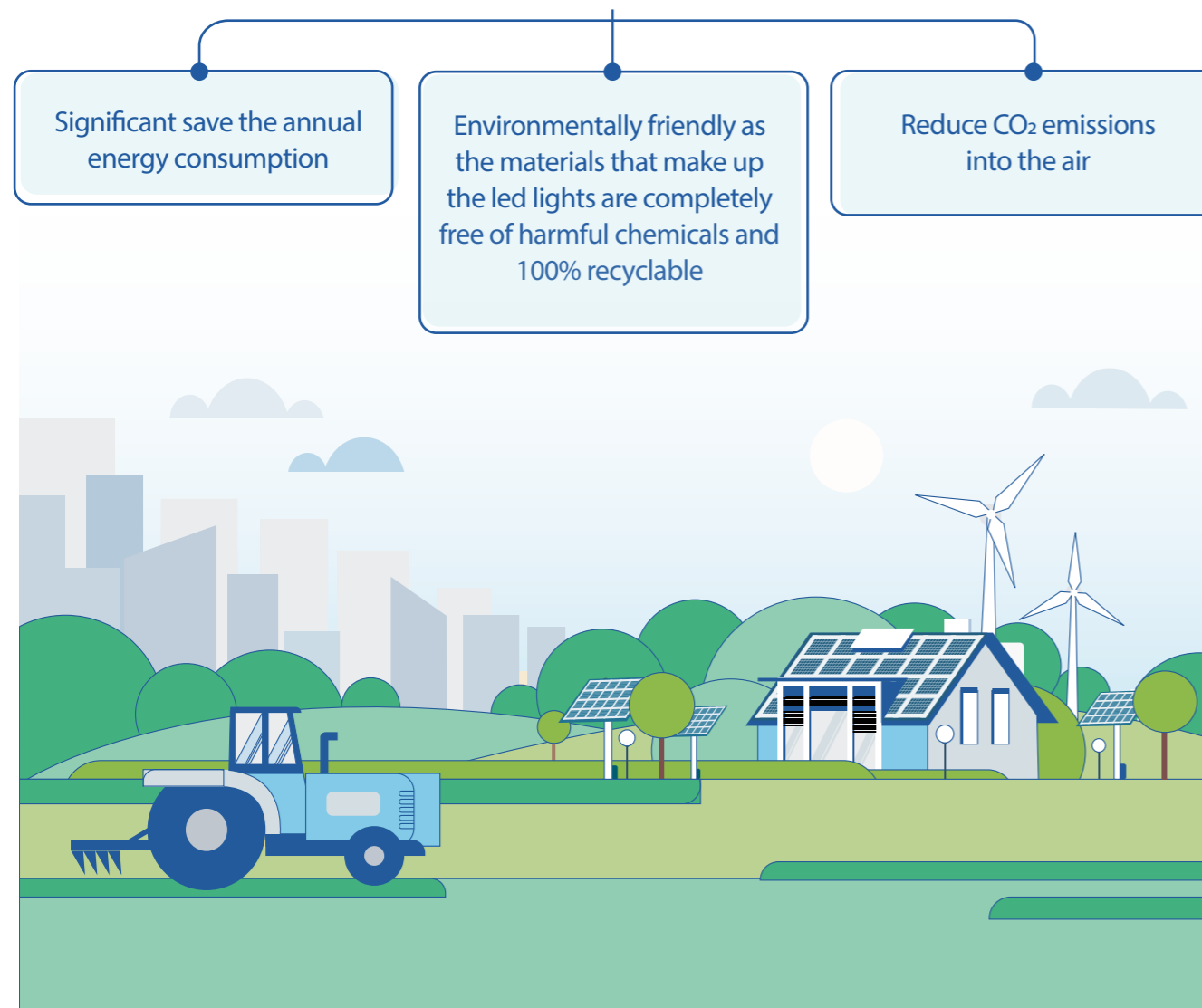


ECONOMICAL AND EFFICIENT ENERGY CONSUMPTION - A FOUNDATION FOR SUSTAINABLE DEVELOPMENT

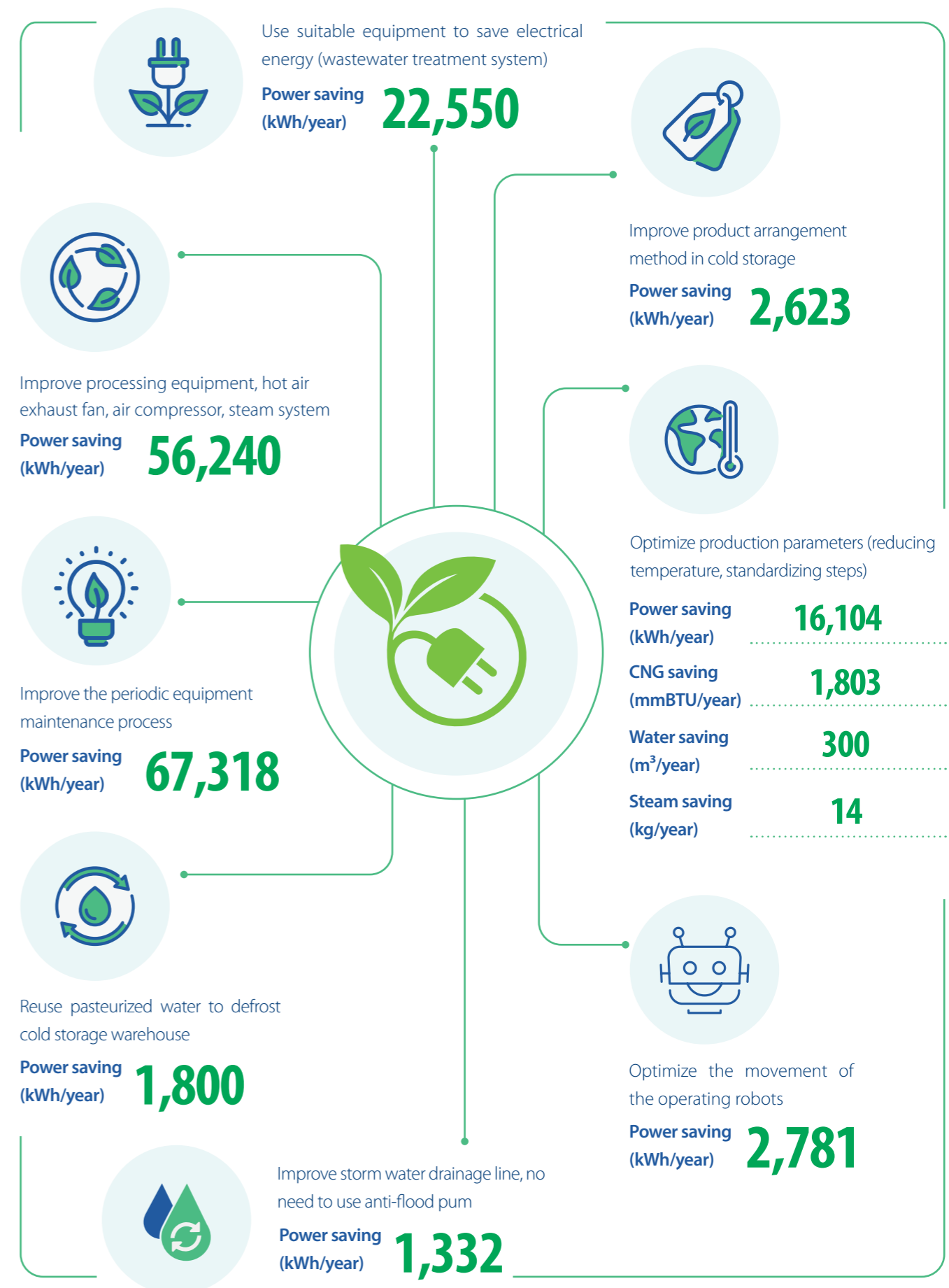
LED LIGHT SYSTEM



BENEFITS



ENERGY SAVING INITIATIVES





CIRCULAR ECONOMY AND RESPONSIBLE USE OF RESOURCES

Circular economy is an inevitable trend in the face of increasing depletion, degradation of global resources and the severity of climate change. In 2021, global agreements and treaties on environment, climate change and sustainable development have set forth many regulations on emission standards and related issues. This will be a premise to promote the global transition to a circular economy model and sustainable development, of which Vietnam is no exception.



At Vinamilk, all design, production and service activities are oriented to be link to the circular economy model in order to minimize the amount of input resources used, increase recycling and reuse, and reduce the amount of waste output, as well as the level of environmental pollution, with focus on:

- Complying with the Law on Environmental Protection.
- Exploiting and using resources efficiently and responsibly.
- Implementing Reduce, Reuse, Recycle solutions.
- Participating in programs/taking measures to collect products/ packaging materials after being discarded according to the 5-year roadmap (2022 - 2026).
- Using raw materials, materials and energy economically, prolonging product life cycle, reducing waste and emissions.
- Promoting circular economy thinking and action among stakeholders.

Paper in packaging of Vinamilk is according to Tetra Brick Aseptic technology.

The packaging is fully recyclable and certified with FSC – certification of products with environmental, economic and social benefits.

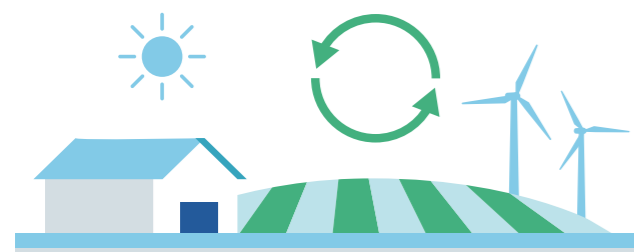


Using BIODEGRADABLE PLASTIC bags and reusable bags.

All Vinamilk's "Giac Mo Sua Viet" stores say "NO" to the use of normal plastic bags.



Continue to maintain and work out solutions to reduce the amount of plastic materials such as reducing shrink film, reducing cap glue, reducing cap labels, straws, reducing plastic scoops and increasing recycling and reuse of materials.



SOLUTIONS AND INITIATIVES

RESULTS



Reduce pet bottle cap weight.

Reduce 9% of plastic consumption compared to current caps



Replace shrink film with smaller size one for bottle products to reduce the amount of plastic used while satisfying the requirements.

**Reduce 15mm of plastic horizontally discharged into the environment.
Reduce the amount of plastic used by 3.26%**



Reuse material milk powder packaging to make our own wrapping paper bags.

Reuse paper bags 4 times



Eliminate/reduce the number of layers of product shrink film and cartons, minimize the use of PE sampling bags and plastic bags placed inside the container with the lid of the product.

Save 968,412 kgs of plastic materials



Use small-sized plastic bags for some production activities.

Saves 33.3 % of the amount of plastic used



Use the spoon bag after using for containing waste.

Save 18 kgs of plastic materials/year



Separate paper and plastic layers in milk powder packaging: increasing revenue from selling copper scrap, supporting recycling.

Save 17 kgs of plastic materials/year



WASTE MANAGEMENT

At Vinamilk, environmental protection activities and responsible natural resource management are always prioritized and balanced between production and business activities and environmental protection and responsible natural resource management with the motto of maximizing the resource consumption value, minimizing waste and emissions.

- 100% of waste is classified, collected and delivered to the contractors for transportation and treatment.
- 100% legal waste disposal contractors.
- 100% of wastewater from production activities is collected and treated to meet standards before being discharged into the environment.
- Implement quarterly environmental monitoring program and prepare annual environmental protection report.
- Rehearse environmental emergency response on an annual basis.

TURNING WASTE INTO RESOURCES

Continuing to apply the composting model to turn waste into organic nutrients in replacement of chemicals and inorganic fertilizers, Vinamilk has succeeded in reducing waste and turning waste into resources; in which, the composted organic fertilizer created brings high efficiency:

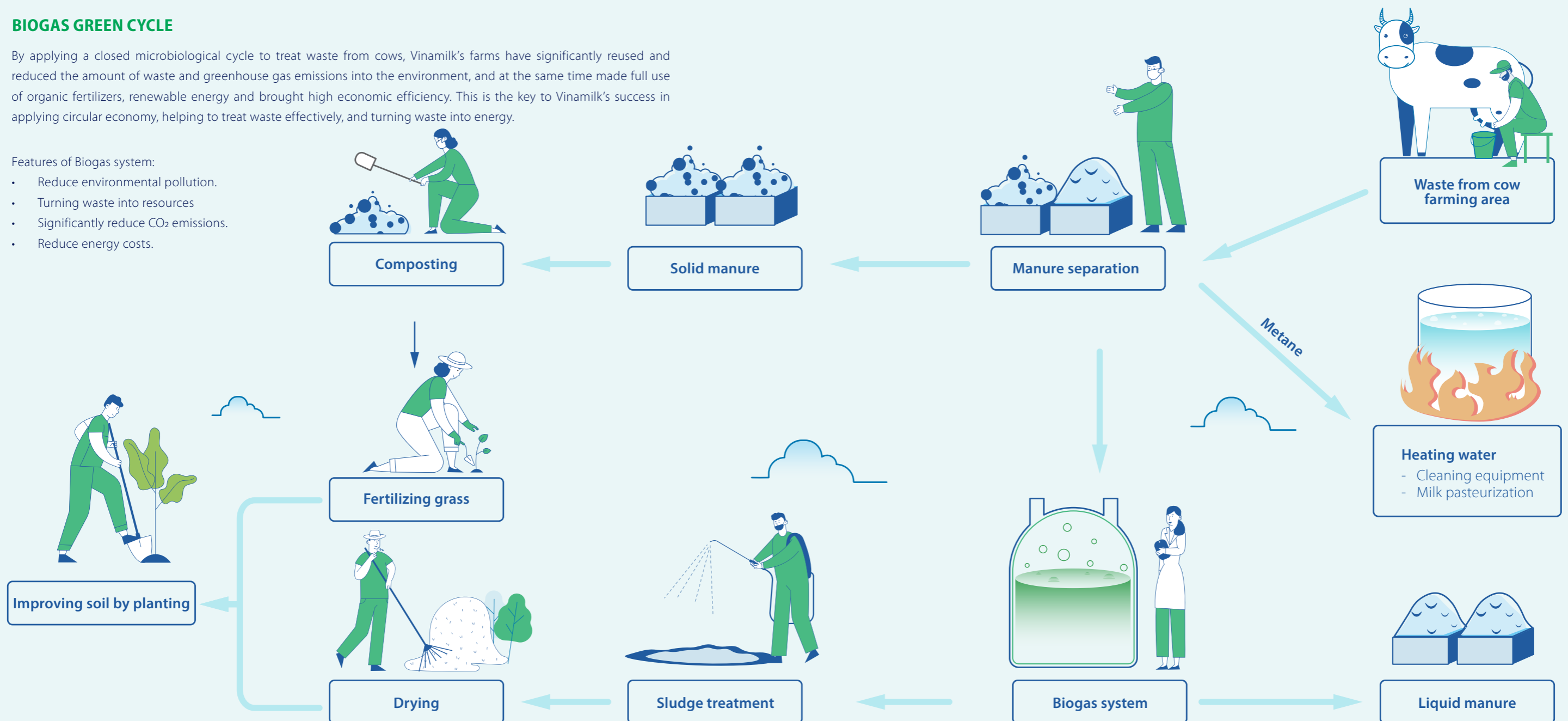
- Improve the structure and fertility of the soil: Increase nutrient content, provide humus to the soil, balance microorganisms in the soil, increase water holding capacity, prevent leaching and remove soil erosion.
- Reduce climate change: reducing methane and nitrous oxide emissions from waste decomposition, while reducing the amount of inorganic fertilizers.

BIOGAS GREEN CYCLE

By applying a closed microbiological cycle to treat waste from cows, Vinamilk's farms have significantly reused and reduced the amount of waste and greenhouse gas emissions into the environment, and at the same time made full use of organic fertilizers, renewable energy and brought high economic efficiency. This is the key to Vinamilk's success in applying circular economy, helping to treat waste effectively, and turning waste into energy.

Features of Biogas system:

- Reduce environmental pollution.
- Turning waste into resources
- Significantly reduce CO₂ emissions.
- Reduce energy costs.





GOOD COW WELFARE

FIVE ASPECTS OF ANIMAL WELFARE

Animal health directly affects the health of the planet and the food system in general. Vinamilk understands that dairy farming on farms has a direct impact on biodiversity, animal's welfare and rights. Therefore, we always aim at "humane husbandry", creating the most comfortable living environment for the cows including physical and mental aspects and bringing "natural life" to the cows, through which contributing to improving the productivity and economic efficiency of livestock farming.

Nutrition

Animals have access to adequate, balanced, varied and clean food and water.

Environment

Factors that create comfort through temperature, space, air, smell, noise and predictability.

Health

The factor that creates good health and physical conditions, no illness, injury, impairment of health.

Behavior

The factors that provide diverse, novel and engaging environmental challenges through sensory input, exploration, foraging, bonding, playing, retreating and others.

Mental state

Animals will benefit from positive states such as happy, relaxed or energetic and reduce negative states such as fear, frustration, hunger, pain or boredom.



At Vinamilk farms, cows are always respected, cared for and best met their living needs to help them stay healthy, active, happy and produce quality milk with high productivity, contributing to increase economic efficiency.

COW CARING PROCESS



Health

- The system of silage tanks and silos for automatically feeding refined food.
- The diet is designed by an international nutritionist and mixed according to the TMR method.
- Global G.A.P standard feed quality with traceability function.



Milking

- European technology milking system, managing each individual cow in detail, giving warnings when there are abnormal signs.
- The "cool bath" area: reduces heat stress between milking sessions.



Mating

- SCR health and estrus management system.



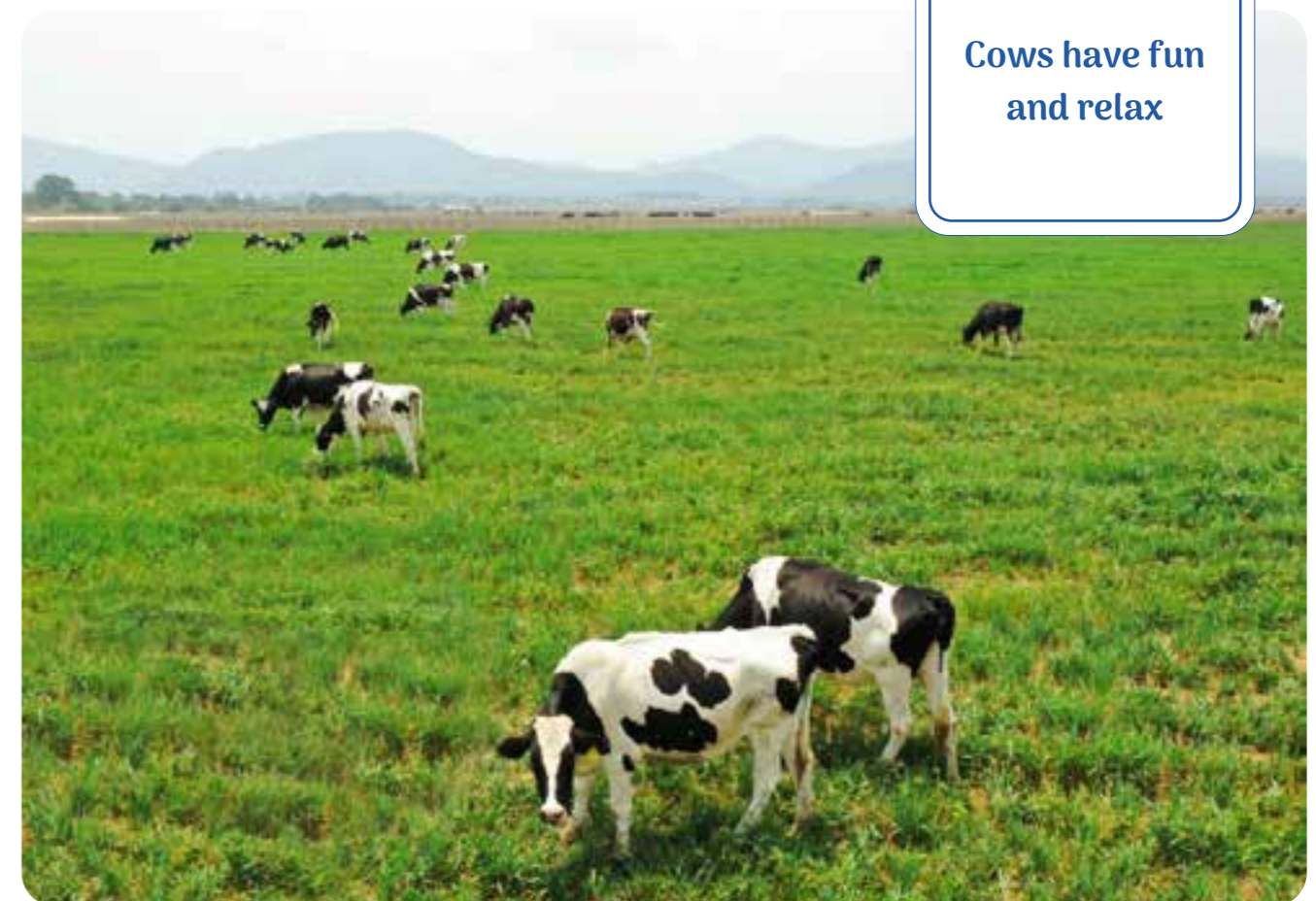
Caring

- Automatic feeding pushing robot.
- Automatic cooling system according to European and American technology, the latest generation.
- Automatic scratching, massage, manure scraping system.
- Veterinary medicine management system for cow treatment.
- Mattresses at the lying pace and paths.
- Soft and highly elastic mattress helps the cows to feel most comfortable when lying down and producing milk.
- Cows are allowed to go to the playground and relax.
- In case the cows suffer from sickness: The nurse will carry out massage and feeding.

" Dairy cows will be served a menu of natural green and clean food which is rich in nutrients and meets the "Green Farm" standard



" Cows have fun and relax



GRI STANDARD CHECKLIST

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GRI Standard Number	GRI Standard Title		
GRI 102	General Disclosures		
102-1	Name of the organization	☑	10
102-3	Location of headquarters	☑	10
102-4	Location of operations	☑	10
102-5	Ownership and legal form	☑	10
102-6	Markets served	☑	14-15, 89, 105
102-7	Scale of the organization	☑	14-17
102-8	Information on employees and other workers	☑	60-61, 64, 66
102-9	Supply chain	☑	16-17, 142-147
102-10	Significant changes to the organization and its supply chain	☑	10, 14-15, 88-89, 142-143, 150-151
102-11	Precautionary Principle or approach	☑	44-47
102-12	External initiatives	☑	36-39, 48
102-13	Membership of associations	☑	146-147
102-14	Statement from senior decision-maker	☑	6-7
102-15	Key impacts, risks, and opportunities	☑	36-37, 40-49
102-16	Values, principles, standards, and norms of behavior	☑	12-13
102-17	Mechanisms for advice and concerns about ethics	☑	66-67, 97-98
102-18	Governance structure	☑	18-19, 94
102-19	Delegating authority	☑	18-19, 94
102-20	Executive-level responsibility for economic, environmental, and social topics	☑	50-51
102-21	Consulting stakeholders on economic, environmental, and social topics	☑	26-29
102-22	Composition of the highest governance body and its committees	☑	18-19, 94
102-23	Chair of the highest governance body	☑	18-19
102-24	Nominating and selecting the highest governance body	☑	18-19,94
102-25	Conflicts of interest	☑	67-73, 97-98
102-26	Role of highest governance body in setting purpose, values, and strategy	☑	6-7, 18-19
102-27	Collective knowledge of highest governance body	⊗	Annual Report - page 112
102-28	Evaluating the highest governance body's performance	☑	6-7
102-29	Identifying and managing economic, environmental, and social impacts	☑	36-39, 24-25

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GRI Standard Number	GRI Standard Title		
102-30	Effectiveness of risk management processes	☑	44-47
102-31	Review of economic, environmental, and social topics	☑	38-43
102-32	Highest governance body's role in sustainability reporting	☑	6-7, 50-51
102-33	Communicating critical concerns	☑	28-29
102-34	Nature and total number of critical concerns	☑	28-29
102-35	Remuneration policies	⊗	Annual report - page 142-143
102-36	Process for determining remuneration	⊗	Annual report - page 142-143
102-37	Stakeholders' involvement in remuneration	⊗	Annual report - page 142-143
102-38	Annual total compensation ratio	⊗	
102-39	Percentage increase in annual total compensation ratio	⊗	
102-40	List of stakeholder groups	☑	25-27
102-41	Collective bargaining agreements	☑	61, 66
102-42	Identifying and selecting stakeholders	☑	25-27
102-43	Approach to stakeholder engagement	☑	25-27
102-44	Key topics and concerns raised	☑	26-31,42-43
102-45	Entities included in the consolidated financial statements	☑	49
102-46	Defining report content and topic Boundaries	☑	26-27, 42-43, 48-49
102-47	List of material topics	☑	42-43
102-48	Restatements of information	⊗	
102-49	Changes in reporting	⊗	
GRI 103	Management Approach		
103-1	Explanation of the material topic and its Boundary	☑	26-27, 42-43, 48-49
103-2	The management approach and its components	☑	18-19
103-3	Evaluation of the management approach	☑	94-98
GRI 201	Economic Performance		
201-1	Direct economic value generated and distributed	☑	4-5, 28-29, 88-90, 104-106, 122-139
201-2	Financial implications and other risks and opportunities due to climate change	☑	36-37, 44-45
201-3	Defined benefit plan obligations and other retirement plans	☑	28-29, 61, 69
201-4	Financial assistance received from government	⊗	

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202-1	Ratios of standard entry level wage by gender compared to local minimum wage	☑	69
202-2	Proportion of senior management hired from the local community	☒	
GRI 203	Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	☑	24-25, 105, 110-119, 142-143
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204-1	Proportion of spending on local suppliers	☑	143
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205-2	Communication and training about anti-corruption policies and procedures	☒	67, 97-98
205-3	Confirmed incidents of corruption and actions taken	☑	67, 97-98
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206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	☑	104
GRI 207	Tax		
207-1	Approach to tax	☑	106
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GRI 301	Materials		
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301-2	Recycled input materials used	☑	204-205
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GRI 302	Energy		
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303-3	Water withdrawal	☑	
303-4	Water discharge	☑	
303-5	Water consumption	☑	
GRI 304	Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	☒	
304-2	Significant impacts of activities, products, and services on biodiversity	☒	
304-3	Habitats protected or restored	☑	192-195
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GRI 305	Emissions		
305-1	Direct (Scope 1) GHG emissions	☑	183, 189, 191, 199
305-2	Energy indirect (Scope 2) GHG emissions	☑	
305-3	Other indirect (Scope 3) GHG emissions	☑	
305-4	GHG emissions intensity	☑	
305-5	Reduction of GHG emissions	☑	
305-6	Emissions of ozone-depleting substances (ODS)	☑	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	☑	
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GRI 307	Environmental Compliance		
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308-1	New suppliers that were screened using environmental criteria	☑	143-145

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405-1	Diversity of governance bodies and employees	☑	40, 60-61, 64, 66, 81
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GRI 406	Non-discrimination		
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G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	☑	65
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	☑	65
GRI 410	Security Practices		
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GRI 411	Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	⊗	
GRI 412	Human Rights Assessment		
412-1	Operations with local community engagement, impact assessments, and development programs	⊗	
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GRI 414	Supplier Social Assessment		
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