

PHAT DAT REAL ESTATE DEVELOPMENT CORPORATION - ANNUAL REPORT 2018 - STOCK TICKER: PDR



SOLID FOUNDATION
PROSPEROUS FUTURE

ANNUAL REPORT 2018



www.phatdat.com.vn

PHAT DAT REAL ESTATE
DEVELOPMENT CORPORATION

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The PDR sustainable way

THE ULTIMATE GOAL OF ECONOMIC DEVELOPMENT IS SOCIAL PROSPERITY AND IMPROVED LIVING STANDARDS. THEREFORE, IN EACH STRATEGIC CHOICE FOR DEVELOPMENT, A BUSINESS MUST, AT THE SAME TIME, STRIVE FOR 3 VALUES INCLUDING: BUSINESS GROWTH, ENVIRONMENTAL PROTECTION, AND COMMUNITY PROSPERITY.



Sustainability Report

THIS IS PDR'S PROFOUND PHILOSOPHY OF SUSTAINABLE DEVELOPMENT AND OUGHT TO BE IMPLEMENTED EFFICIENTLY, PRACTICALLY AND PROACTIVELY IMPLEMENTED THROUGHOUT THE COMPANY'S OPERATION.

WHILE HEADING TOWARDS THE NEW ERA WITH GREAT ASPIRATIONS, WE ARE ADDRESSING MORE AND MORE IMPORTANCE TO SUSTAINABILITY CRITERIA WHICH HAVE NOW SECURED A CENTRAL ROLE IN THE VALUE SYSTEM THAT WE PURSUE.

CORPORATE SUSTAINABILITY MESSAGE

“ PDR’S JOURNEY OF ESTABLISHMENT AND DEVELOPMENT IS ALSO ONE OF STRIVING FOR CIVILIZED VALUES IN BUSINESS. WE MAKE NO COMPROMISES ON NATURAL ENVIRONMENT, CULTURAL AND SOCIAL ENVIRONMENT AND THE FOUNDATION OF COMMUNITY LIFE, WHETHER SHORT OR LONG TERM, FOR ECONOMIC GAINS. OUR DEVELOPMENT REPORTS ALL ACKNOWLEDGE THIS. ”

As a real estate development business, PDR implement sustainable development goals as follows: Meticulously and efficiently comply with 17 sustainable development criteria of the United Nations and the GRI (Global Reporting Initiative) standards, balance the interests of the Company with those of employees, customers, partners and the community. At the same time, a long-term vision for all projects implemented is set. One of the key questions to which we seek a satisfactory answer is: What are the benefits our projects contributing to the resident’s living environment in the future, and how they relate to the overall development of the society.

On that foundation, PDR chooses appropriate business model, business strategy, technology application, materials selection, code of conduct, etc., which are supported by a well-defined monitoring and appraisal system.

The result of these efforts is that PDR’s products are highly appreciated by governmental bodies, received great support from the market and gained customer trust. Further, it also bring a healthy and positive working environment with beneficial opportunities for employees, shareholders, partners, and suppliers.

PDR’s prestige and outstanding competitiveness are built on such foundation which is continuously being strengthened in every new step. It is also one of the core factors that helps PDR to firmly overcome challenges and rigid screening in the business environment.

Looking into the future, this philosophy and belief is also a source of motivation for PDR to boldly pursue admirable aspirations and great opportunities for a genuine business.



Living space at The EverRich Infinity.

OVERVIEW OF THE SUSTAINABLE DEVELOPMENT REPORT

STANDARD OF REPORT

The report is prepared in conformity with the GRI Standards – currently the latest international version of sustainability reporting standard for business and is being applied in many countries.

The key areas – after being determined based on a combination of the level of stakeholders' interest and their impacts on PDR – are published in this report as the core contents.

In addition, we also refer to the Guidelines on the Disclosure of environmental and social information of State Securities Commission of Vietnam, the IFC and Circular 155/2015/TT-BTC to implement this report in a more convenient, standardized, transparent and efficient manner.

This report is prepared in Vietnam, in the field of investment and real estate business.

SCOPE OF THE REPORT

This report is prepared for the following scope of operations:

Phat Dat Real Estate Development Corporation, including the Head Office and three branches, namely:

- Phat Dat Real Estate Development Corporation – Head Office.
- Phat Dat Real Estate Development Corporation – Quang Ngai Branch.
- Phat Dat Real Estate Development Corporation – Phu Thuan Branch.
- Phat Dat Real Estate Development Corporation – District 5 Branch.

Phat Dat Investment One Member Company Limited: a subsidiary wholly owned 100% by Phat Dat Real Estate Development Corporation.

Phu Hung Real Estate Investment Company Limited: a subsidiary – wholly owned 100% by Phat Dat Real Estate Development Corporation.

Phu Quoc DK Corporation: a subsidiary owned 99% by Phat Dat Real Estate Development Corporation.

Coinin Technical Infrastructure Investment and Construction Company Limited: a subsidiary with owned 80% by Phat Dat Real Estate Development Corporation.

REPORTING CYCLE

Information in the report is updated for the fiscal year 2018, beginning on January 1st, 2018 and ending on December 31st, 2018.

Starting from 2017, PDR's sustainability report will be reported on an annual basis and included in the Annual Report publication.

CONTACT INFORMATION

To make this report a valuable source of information and reference for PDR, stakeholders and the public, we look forward to receiving comments on issues covered by our report. Please send feedbacks to the following address:

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A panoramic view of Everich Infinity project.

PDR IN REFERENCE TO THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS



PDR IN REFERENCE
TO THE UNITED
NATIONS'

17

SUSTAINABLE
DEVELOPMENT GOALS

NO POVERTY, ZERO HUNGER



Description

- End poverty in all its forms everywhere.
- End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Content

- Contributed efforts and resources to multiple nationwide activities against poverty.
- Support disadvantaged people to enjoy lunar new year.
- Provided support to flood victims.
- Support the Campaign "Buy watermelons from farmers" in Quang Ngai Province.
- Donated funds to Phu Hoa Orphanage in Quang Ngai Province.

GOOD HEALTH AND WELL-BEING



Description

- Ensure health and promote well-being for all at all ages.

Content

- Performed periodical medical checkup for employees.
- Held meetings, team building events and travels abroad on an annual basis.
- Donated to the "Winter night dream" program to support cancer patients.
- Contributed to social security activities nationwide.
- Held activities to promote the World Oral Health Day.
- Granted 50 scholarships to the "10,000 steps – Health for Community".

QUALITY EDUCATION



Description

- Ensure inclusive and equitable quality education.
- Promote lifelong learning opportunities for all.

Content

- Donated to education promotion funds nationwide.
- Awarded scholarships to Thanh – a boy of filial piety in Quang Ngai.
- Donated funds and presents to the 10th National Congress of Vietnamese Students' Union.
- Financed the installation of interior equipments for the Semi-boarding area of Tra Xinh Semi-Boarding Secondary School for Ethnic Minority People, Quang Ngai Province.
- Carried out internal training on a monthly and quarterly basis.
- Carried out capability-building training for managers.
- Provided training for succeeding generation of managers.



PDR IN REFERENCE TO
THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

GENDER EQUALITY



Description

- Achieve gender equality and empower all women and girls.

Content

- Female employees account for almost 40%.
- Continuous importance is addressed to facilitating the promotion of female employees to senior management and executive advisor positions.
- Provided full employee benefits during maternity period and female employees raising children of 12 months old.
- Presented gifts and delivered wishes on the occasion of March 8, October 20, birthdays, etc.

DECENT WORK AND ECONOMIC GROWTH



Description

- Decent Work and Economic Growth.

Content

- Generated thousands of opportunities for both direct job seekers and indirect beneficiaries.
- Posted high revenues and contributed billions of Dong to the budget.
- Participated in and supported the "Industry 4.0 – Conquer challenges and seize opportunities" program.
- Supported the development program of Quang Ngai Province Entrepreneurs' Club.

CLEAN WATER AND SANITATION



Description

- Ensure availability and sustainable management of water and sanitation for all.

Content

- Using water according to Vietnamese Standards, especially at projects according to Vietnam Construction Standards - QCXDVN 01: 2008/BXD.
- Periodically examined the water systems used in projects.
- Made use of rainwater and recycled wastewater using treatment stations at project sites for watering.
- Constant use of water-saving equipments and automatic washing machines of high capacity to best save water.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



Description

- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Content

- Constantly innovate and adopt globally prevailing technologies, create sustainable quality and safety for residents.
- Use environmentally friendly materials such as light bricks, unburnt bricks, engineered wood, etc.
- Use energy-regenerating elevators to save electricity.
- Attention to space and natural ventilation in designs by using sun blinds to avoid solar radiation and minimize the use of electricity.
- Build centralized wastewater treatment stations that meet hygiene standards.

AFFORDABLE AND CLEAN ENERGY



Description

- Ensure access to affordable, reliable, sustainable and modern energy for all.

Content

- Used clean and sustainable sources of energy in all projects.
- Electric power: Used solar energy.
- Water resource: Used pure water supply with integrated solar system.
- Power from Natural gas: Used natural CNG with environmentally friendly methane.

REDUCED INEQUALITY



Description

- Reduced Inequality.

Content

- Support the disabled: Made donations to Vo Hong Son Center for disabled children.
- Sponsor the celebration of the War Invalids and Martyrs day.
- Donated funds to support disadvantaged children in District 7, HCMC.
- Support Agent Orange victims in Binh Chanh District, Ho Chi Minh City.
- Ensure stable jobs for employees.
- Create job opportunities and promote advancement opportunities for female employees.
- No employee discrimination by place of origin.

PDR IN REFERENCE TO THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE CITIES AND COMMUNITIES



Description

- Make cities and human settlements inclusive, safe, resilient and sustainable.

Content

- Planting trees around the project sites and workplaces.
- Monitor and handle environmental impacts in a timely fashion.
- Build residential areas and urban residential areas with modern and adequate utilities, contributing to improved living standards.
- Funded the program "Role models of the neighborhood".
- Supported the development of The Library 2030 in Quang Ngai Province.
- Funded for the national flagpole at Hon La island, Quang Binh Province.

RESPONSIBLE CONSUMPTION AND PRODUCTION



Description

- Ensure sustainable consumption and production patterns.

Content

- Regularly perform environmental impact assessment (EIA) of all ongoing and completed projects.
- Monitor the environmental quality of projects every 6 months during the construction and operational phases.
- Manage, prevent and respond to risks during construction and operational phases.
- Committed to prevent negative impacts on the environment or affecting the community as well as economic and social activities.
- Committed to treating waste according to applicable environmental standards and norms.
- Ensure labor safety and fire & explosion protection during construction and operation.
- Contract with experienced consultants to optimize environmental impacts.
- Bind building contractors to comply with environmental protection requirements during construction.

CLIMATE ACTION



Description

- Take urgent action to combat climate change and its impacts.

CONTENT

- Low emission (Low E) glass is adopted to reduce heat, ultraviolet and infrared rays.
- Use solar panels in replacement of electricity.
- Projects are designed and implemented according to EDGE Green Building standards of the IFC organization – World Bank.
- Applying the calculation of the insulativity of enclosure walls and glass that meets the national standards of energy-efficient buildings - QCVN09/2013-BXD.

LIFE BELOW WATER



Description

- Bullet and sustainably use the oceans, seas and marine resources for sustainable development.

Content

- Make use of rainwater and recycle waste water through on-site treatment stations for watering.
- Build water collection pits that channel water from the storage cabinet into the drainage system and later to the wastewater treatment station, ensuring water safety and hygiene.
- The drain pipe system is made of PVC. The pipi sloping ensures best drainage.
- Collect garbage collection around project sites and workplaces.

LIFE ON LAND



Description

- Protect, restore and promote sustainable use of terrestrial ecosystems.

Content

- Excavated soil is used for site leveling at project sites.
- Contract with appropriate entities to legally dispose excavated soil.
- Ensure full compliance with applicable requirements such as the covering of excavated soil and building materials during transport to prevent dust spread.
- Call for tender to select both main and sub-contractors for transportation and treatment of excavated soil in accordance with applicable regulations.
- Committed to the treatment of excavated soil in compliance with Decision No. 44/2015/QĐ-UBND.

PDR IN REFERENCE TO
THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

PEACE, JUSTICE AND STRONG INSTITUTIONS



Description

- Promote peaceful and inclusive societies for sustainable development.

Content

- Organize regular quarterly dialogues with employees.
- Develop a set of code of conduct for “Phat Dat People” based on core values such as: Creativity, commitment, fairness and respect.
- Sponsored “The Law Day 2018” program held by the People’s Committee of District 12.
- Sponsored the 8th HCMC Sports Meet of Ho Chi Minh City.
- Supported the candle-lighting ceremony to celebrate the 43rd anniversary of the Liberation of the South.

PARTNERSHIPS TO ACHIEVE THE GOAL



Description

- The Global Partnership for Development.

Content

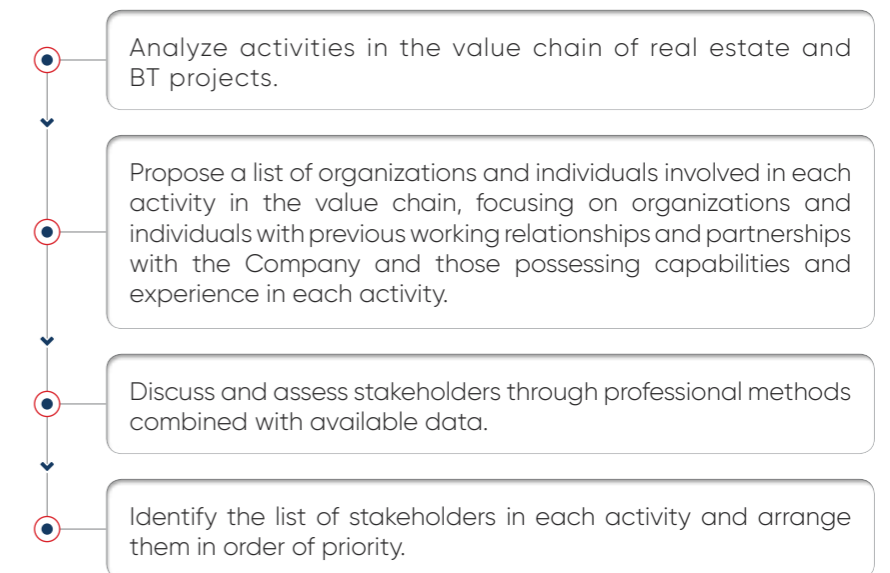
- Actively participate in Saigon Association of Construction & Building Materials (SACA).
- Participated and won Asia’s most prestigious construction & architecture award – the BCI Asia Awards.
- Encourage the creativity of a socially responsible architecture industry.



The Participation OF THE STAKEHOLDERS

GRI 102-43 PROCESS OF IDENTIFYING STAKEHOLDERS

PDR identifies stakeholders through the following impacts

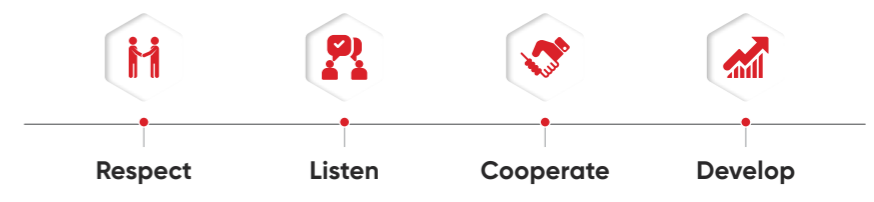


THE PARTICIPATION OF STAKEHOLDERS



GRI 102-21 MECHANISM TO CONSULT STAKEHOLDERS, STAKEHOLDERS' KEY CONCERNS AND FEEDBACK FROM PDR

In consistency with corporate culture and code of business conduct, PDR have been proactively building sustainable relationships with stakeholders based on such values as to bring long-term prosperity to all parties:



Feedback from stakeholders is the base for PDR to realize and identify further useful solutions to our sustainable development strategy. Therefore, stakeholder feedback is received and processed timely, publicly and reasonably.

Stakeholders' feedbacks is received, analyzed and processed concurrently by responsible personnel of the dedicated department. At the same time, such feedback is also delivered to the BOD/BOM via written or in direct reports at meetings. After due diligence has been made, appropriate instructions and measures are to be executed immediately. In cases where feedback cannot be solved or executed immediately due to various reasons, the specific stakeholder is to will be informed and further discussions are due.



GRI 102-42 IDENTIFY AND SELECT STAKEHOLDERS

We list all relevant groups which are, at various levels of influence and interest, affected by PDR's activities sustainable development. Based on the level of interaction these groups have with PDR, the key stakeholders are identified.




The list of stakeholders in PDR's sustainable development activities is defined as follows:

-  **Customers:** PDR products' End-users.
-  **Partners:** Providers of services and solutions relating to the development of property projects, building contractors, suppliers of equipment, facilities, etc.
-  **Shareholders and investors:** Legal owners of part or all of the share capital. These have rights and obligations associated with PDR's business performance.
-  **Employees:** One of the factors constituting the Company's production capacity.
-  **Community:** Formed on the basis of relationships between individuals and groups of people.
-  **Government:** Legal instances or regulatory entities participating in inspection and policy-making activities.
-  **Competitors:** Competitors within same segment, competing products and pricing, and possessing competitive strengths.
-  **The media:** Entities that operate in publishing and communication.
-  **Financial institutions:** Entities that provide financial solutions.

Plentiful of feedback from related parties have been received, resulting in positive changes in the Company's plan or the adoption of measures that fit practical situations. This has made business operations more efficient, while minimized costs, and better aligned the Company's compliance with the law.

THE PARTICIPATION OF STAKEHOLDERS

MECHANISM TO APPROACH STAKEHOLDERS

STAKEHOLDERS	APPROACH METHOD	STAKEHOLDERS' KEY CONCERNS	PDR'S FEEDBACK
CUSTOMERS 	<ul style="list-style-type: none"> Receive feedback via direct meetings or social networking platforms, and mail box info@phatdat.com.vn Organize meetings and gatherings with customers through sales events, loyalty programs, customer conferences, etc. Send product information and business policies related to the Company directly to customers in writing. 	<ul style="list-style-type: none"> Reasonable prices. Quality and service. Customer satisfaction. Staff's efficiency and working manner. The Company's responsibility over products. Sale policy. After-sales policy. 	<ul style="list-style-type: none"> Strictly comply with regulations both at home and abroad; adopt reasonable pricing policies, ensure harmony between customer benefits and business benefits. Guarantee of best quality and service provided to customers. Each PDR's member is requested to pay attention to and be ready to meet customers' justified requirements during interactions. Express appreciation to customers by holding customer conferences, promotions and optimal after-sales policies. Establish a mechanism to handle customer complaints.
PARTNERS 	<ul style="list-style-type: none"> Meet and discuss via direct meetings or receive and resolve questions via email, phone, fax. Participate in joint activities related to cooperation in project investment and development, sustainable development with society and community. Record feedback and promptly handle critical issues. 	<ul style="list-style-type: none"> Business performance. Cooperation ability and attitude. Respect for interests of related parties. Cooperation efficiency. Safety, health and environment. Information confidentiality. 	<ul style="list-style-type: none"> Select suppliers fairly based on capability profile with diverse evaluation criteria of experience, ability to meet quality and technological requirements. Confidential supplier info is not to be disclosed to their competitors. Promote Open dialogues and positive aspects while limiting negative ones, work towards building a long-term bilateral relationship which is beneficial for all parties.
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> Hold vis-a-vis meetings on a monthly and quarterly basis as well as when required. Receive and handle inquiries through email, phone, fax, etc. Organize Annual shareholders' meeting, periodic and non-periodic meetings. Publish detailed financial statements on mass media in accordance with regulations of the State Securities Commission and Ho Chi Minh City Stock Exchange. Attend annual conferences, forums, and exhibitions of the construction industry to share information. 	<ul style="list-style-type: none"> Business performance. Operating situation and efficiency. Development orientation and strategy. Risk management. Transparent information. Information confidentiality. 	<ul style="list-style-type: none"> Regularly organizing meetings, public exchanges, regular and extraordinary meetings, issuing periodic newsletters to investors, etc. This is aimed at providing timely and appropriate information to help shareholders and investors have a more comprehensive view of PDR's operations and development strategy. The exchanges and disclosure of information must be done fairly, ensuring equal opportunities for all investors. Refraining from making uncontrolled information disclosure of investors and shareholders without permission, or without the request of law enforcement agencies.




THE PARTICIPATION OF STAKEHOLDERS

MECHANISM TO APPROACH STAKEHOLDERS

STAKEHOLDERS	APPROACH METHOD	STAKEHOLDERS' KEY CONCERNS	PDR'S FEEDBACK
EMPLOYEES 	<ul style="list-style-type: none"> Survey, either directly or indirectly, to obtain employees' feedback on the working environment, working protocol, welfare policies, remuneration, and so on. Organize discussions and dialogues with employees on a monthly basis. Organize team building events and activities on important occasions such as company anniversary, lunar new year, other holidays, etc. 	<ul style="list-style-type: none"> The Company's remuneration policy. Promotion opportunities. Work environment safety. Working environment. Colleague relationship. Management - staff relationship. 	<ul style="list-style-type: none"> Every year, the Company introduces improvements in remuneration policies and benefits for employees. Talent retention policy. Training and career development programs for employees. Issue a code of conduct as a base for behavior and interactions. Regularly hold internal activities to promote a healthy and engaging environment for employees. The staff management is based on the respect for employees, including respect for decisions, wishes, aspirations, right of freedom and other legitimate rights.
COMMUNITY 	<ul style="list-style-type: none"> Participate in donation programs and community building activities of organizations and local authorities. Provide information on business activities to the community through mainstream media channels. 	<ul style="list-style-type: none"> Employment issues. Contributions to the community. Care and responsibility to the community. Direct and indirect impacts on the environment during operation. 	<ul style="list-style-type: none"> To be committed to placing the environment above the Company's development goals, minimize environmental impacts during the project implementation and operation. Affirm the sense of responsibility and high efforts in harmonizing the goals of environmental protection with that of contributing to socio-economic growth. Continue to promote the charity programs and sponsorship, promote positive social changes and development.
GOVERNMENT 	<ul style="list-style-type: none"> Participate in real estate, construction and architecture workshops held by various authorities and regulators. Actively participate in the activities of architecture, construction and project development associations. Publish tax information and perform tax reporting according to applicable regulations. 	<ul style="list-style-type: none"> The Company's compliance with the law. Difficulties facing the Company during the implementation of legal policies and provisions. General market and industry trends. Carry out investment and business activities in a responsible manner towards customers, society and the environment. 	<ul style="list-style-type: none"> Duly comply with the country's applicable laws regarding business operation, society and environment. Duly perform the obligation of tax contribution to the state budget.

THE PARTICIPATION OF STAKEHOLDERS

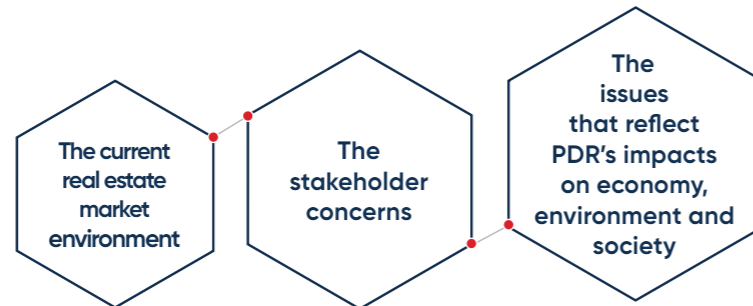
MECHANISM TO APPROACH STAKEHOLDERS

STAKEHOLDERS	APPROACH METHOD	STAKEHOLDERS' KEY CONCERNS	PDR'S FEEDBACK
<p>COMPETITORS</p> 	<ul style="list-style-type: none"> • Meet and share information with competitors through construction and real estate associations meetings or meetings with investors interested in the real estate industry held by the Ho Chi Minh City Stock Exchange. • Maintain personal relationships between the PDR's management and competitors'. • Gather competition information from mainstream media channels. 	<ul style="list-style-type: none"> • Code of conduct for dealing with competitors. • Healthy competition. • Compliance with antitrust laws and competition laws 	<ul style="list-style-type: none"> • Maintain harmony with competitors with full goodwill and continuously learn from their success. • To not defame or vandalize against competitors, recognize their success and respect their interests on the principle "The best company is the winning one". • To be committed to fair competition, commit no collusion or manipulation of market prices, refuse to receive competitor information that may be confidential. • Flexibly respond to fierce competition, be persistent with the principle of honesty in business; uphold quality and brand reputation as the top priority; respect and comply with antitrust laws, competition laws, ensure healthy, free and open competition.
<p>MEDIA</p> 	<ul style="list-style-type: none"> • Distribute press releases and hold press conferences. • Respond to media interviews on mass media channels. • Regularly update important information on the corporate website and social network. • Coordinate to implement many TV programs and publish information on the official media about upcoming major events. 	<ul style="list-style-type: none"> • Business performance. • The Company's development strategy. • The accuracy of information. • Proactivity in providing information. 	<ul style="list-style-type: none"> • Build good relationships with the media on the principles of equality, transparency and legality. • Always ensure accuracy, clarity, completeness and objectivity of messages and information provided, thus helping the press to be precisely informed of the Company's operations. • Handle media crisis with skill and with calmness. Announcements are to be conscientious and well-versed towards objections and accusations.
<p>FINANCIAL INSTITUTIONS</p> 	<ul style="list-style-type: none"> • Meet and discuss directly through meetings, emails, workshops on investment cooperation. • Carefully develop plans to ensure cooperation between concerned parties. • Manage risk and provide transparent and accurate information. • Participate in joint activities relating to cooperation in project investment and development as well as sustainable development with society and community. • Record feedback and promptly handle critical issues. 	<ul style="list-style-type: none"> • Business performance. • Operating situation and efficiency. • Development orientation and strategy. • Cooperation ability and attitude. • Respect the interests of concerned parties. • Cooperation efficiency. • Safety, health and environment. • Risk management. • Transparent information. • Information confidentiality. 	<ul style="list-style-type: none"> • Commit to timely delivery of transparent and consistent information. • Build and strictly implement strategic risk management to monitor financial situation for stable cash flow and yoy growth. • Information regarding related parties is not to be disclosed. • Respect all parties' interest to ensure balanced benefits in investment and all cooperations.

THE PARTICIPATION OF STAKEHOLDERS

Identify RELATED ISSUES

PDR identifies related areas based on:



ASSESSMENT OF KEY ISSUES

The assessment of key issues is carried out at meetings between the Board of Management and department heads. At such meetings, participants will align on the topics of the key areas and update results on the matrix of criticality.



Matrix of criticality



ECONOMY	ENVIRONMENT	SOCIETY
GRI 201 Economic efficiency	GRI 301 Materials	GRI 401 Employment
GRI 202 Indirect economic impacts	GRI 302 Energy	GRI 402 Management/staff relationship
GRI 205 Anti-corruption	GRI 303 Water	GRI 403 Occupational safety and health
GRI 206 Obstruction of competition	GRI 306 Wastewater and waste	GRI 404 Education and training
	GRI 307 Environmental compliance	GRI 405 Diversity and equality
	GRI 308 Re-assessment of suppliers of environmental solutions	GRI 413 Community and locality
		GRI 416 Customer safety and health

PDR ESTABLISHED THE MATRIX OF 17 CRITICALITIES



KEY ISSUES

ECONOMIC PERFORMANCE

GRI 201 ECONOMIC PERFORMANCE

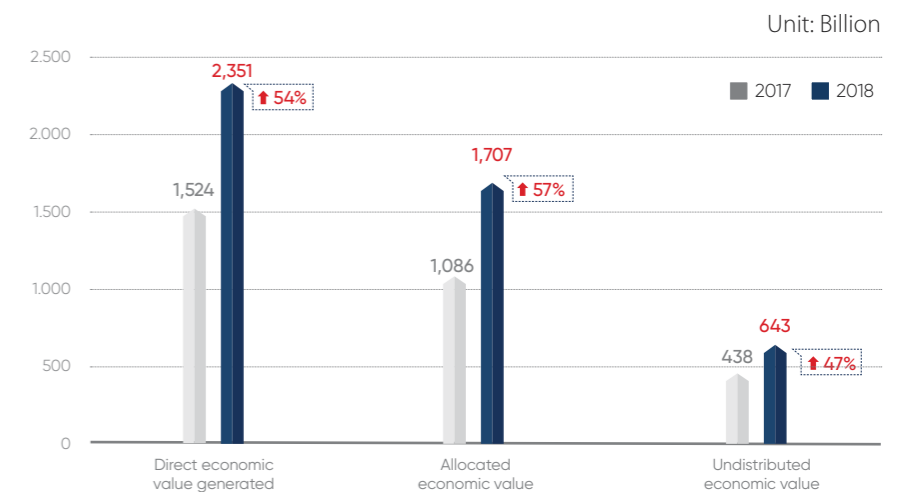
PDR is profoundly aware of its growing responsibility toward stakeholders, especially investors and shareholders, who contribute important funds to the Company. In order to evaluate the resonance between PDR and our stakeholders, the Company has devised a matrix to analyze 17 key areas under three important categories, namely Economy, Society and Environment.

PDR focus on building information on aspects of direct economic values generated, distributed and undistributed. At the same time, the efficiency of sustainable contributions to the economy in general is demonstrated by the contribution to the state budget and the community - society.

Direct economic value generated **2,350,716,000,000**
VND

Throughout the development, PDR also bring opportunities for investors, shareholders, employees and customers.

In 2018, the total direct economic value generated was VND 2,350.72 billion, a year-on-year increase of 54%. The distributed economic value and the undistributed amount were VND 1,707.40 billion and VND 643.32 billion, respectively, up by respective 57% and 47% against 2017.



Economic performance

No.	Item	Revenues (VND)
I	Direct economic value generated	2,350,716,000,000
1	Revenues from projects	1,889,480,000,000
2	Revenues from transfer of investment properties	234,876,000,000
3	Income from investment cooperation contracts	190,000,000,000
4	Revenues from other services	36,360,000,000
II	Distributed economic value	1,707,400,000,000
1	Operating expenses	1,519,169,000,000
2	Staff salary and benefits	67,816,000,000
3	Payments to fund provider	-
4	Payments to the state budget	114,761,000,000
5	Investment for the community	5,654,000,000
III	Undistributed economic value	643,320,000,000

**GRI 205
ANTI-CORRUPTION**

Identify corruption - related risks

According to the evaluation, PDR identifies corruption risks in the following activities:

- Site clearance and compensation for land and houses.
- Bidding for selection of service providers and construction contractors.
- Management of contractors during the supply of services and construction.
- Distribution of the Company's products to customers.

Communication of and training on anti-corruption policies and procedures

In 2018, no corruption cases were found at PDR. In order to prevent corruption, PDR adopts the following methods:

- Actively inform and warn employees of the harm and consequences of bribery and corruption; promote right attitude and course of action. This is done regularly in monthly meetings with a clear, scientific and practical manner of communication.
- Introduce sanctions and strict regulations against violations of bribery and corruption terms in contract with all partners.



**GRI 206
ANTI-COMPETITION
BEHAVIOR**

- We are committed to healthy competition based on product quality and pricing and do not defame competitors' products.
- Carefully examine the competitors' marketing and communication messages to promptly detect unfair competition, if any.



**GRI 301
MANAGEMENT
OF MATERIALS**

Prioritize the use of environmental friendly materials and locally available building materials (bricks, technical equipment, technical pipelines, etc.) in gradual replacement of imports.

- Use light brick materials and unbaked bricks in replacement of traditional baked bricks which are responsible for increasing air pollution. This replacement brings higher environmental efficiency while still ensuring structural safety.
- Use flooring made from manufactured wood, laminate wood, MDF, Plywood, sawdust, and so on as substitutes for natural wood. These materials are less prone to warping, resistant to water and abrasion resistance, aesthetically satisfactory and cost-efficient. At the same time, certain types of wood flooring from bamboo, which is durable, light, easily renewable and environmentally friendly are also chosen for some projects.
- Use energy-regenerating elevators to save electricity.
- Install solar panels.
- Use solar water heating system to save electricity.

The level of application of environmental friendly materials

Alternative materials	Unit	Total
Ratio of replacement of baked bricks with light bricks/light partition plates	%	50
Ratio of use of manufactured wood (apartment flooring) to natural wood	%	100
Ratio of use of Led in replacment of fluorescent and compact bulbs	%	90

ENVIRONMENTAL PROTECTION

Quantity of alternative materials used for construction in one project

No.	Type of materials	Unit	Quantity
A Materials as per design			
1	Hollow bricks of 8x8x19 dimensions, 20-cm thick walls, height <= 4m, cement mortar of grade 75	m ³	3,800
B Alternative materials			
1	Plaster partition wall	m ³	19,000

Fuel and chemicals for one project

No.	Type of fuel and chemicals	Unit	Quantity
1	Gasoline	Liter	120
2	Additives	kg	18,345
3	Water-proofing chemicals	kg	6,845

GRI 302 ENERGY CONSUMPTION

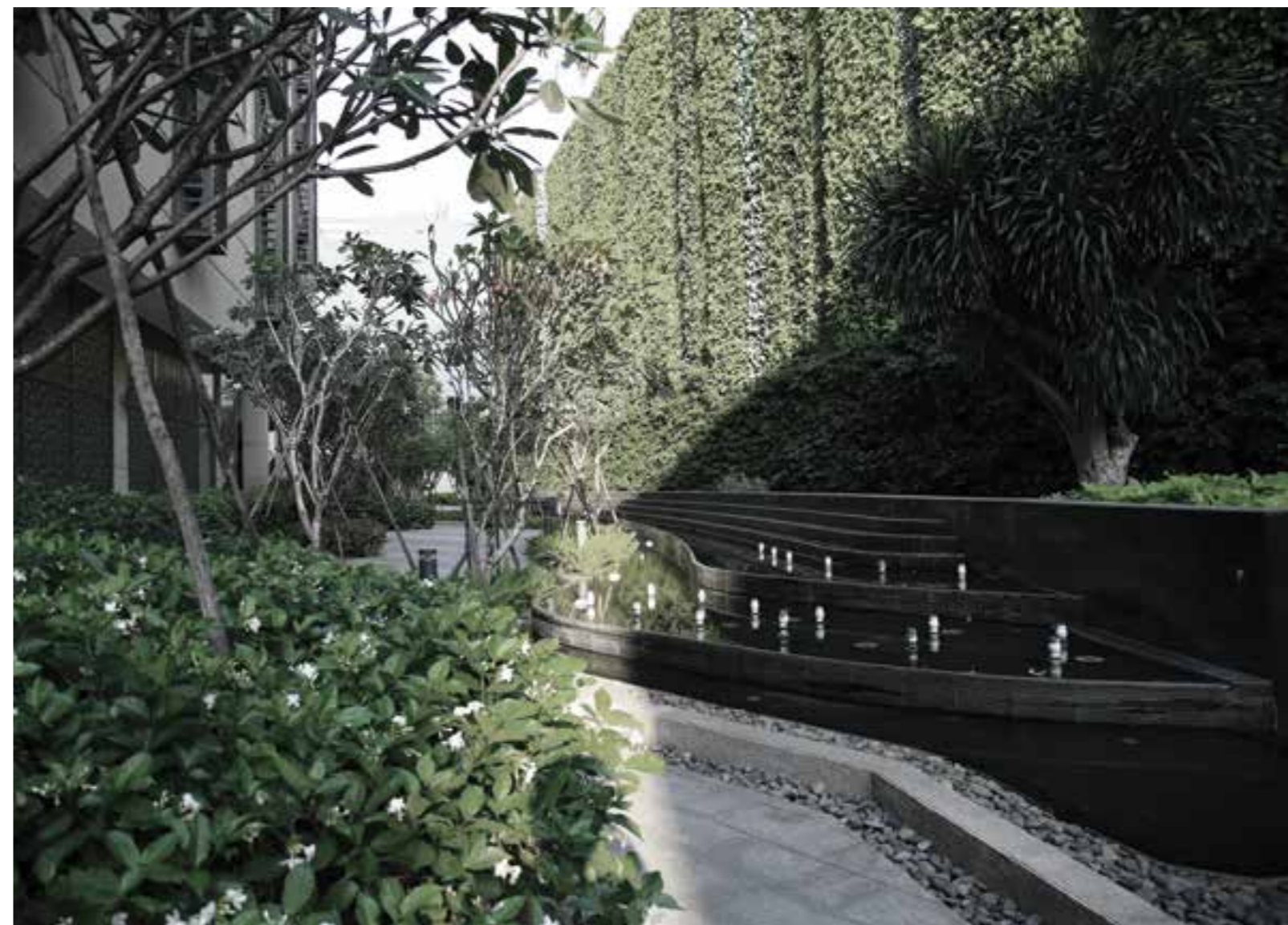
Utilize local power supply with appropriate capacity for each specific project. Rigorous capacity calculations are carried during design stage to optimize power consumption.

Promote the use of solar energy systems, green energy, apply solutions during design stage to create natural ventilation, thus helping to minimize the use of electricity.

Use low-power LEDs to replace fluorescent and compact bulbs. Despite higher investment, this helps reduce the cost of electricity consumption significantly for both construction and households.

Always pay attention to splitting the line during design stage to save resources, electricity and reduce costs for users.

Use inverter / chiller air conditioning system and smart control solutions to ensure power consuming devices are switched off when not in use.



Living space at The EverRich Infinity.

Forecast of total maximum power supply of one project

No.	Description	Data	Unit	Quota as per norm	Unit	Year 1 (Down by about 10%)		Year 2 (Down by about 8%)		Year 3 (Down by about 5%)	
						Calculated quota	Total load (W)	Calculated quota	Total load (W)	Calculated quota	Total load (W)
1	Electricity quota for apartment section	2,000	Person	800	W/person	936	1,872,000	853	1,706,000	800	1,600,000
2	Electricity quota for commercial section	21,906	m ²	30	W/m ²	35	766,710	32	700,992	30	657,180
3	Load of public lighting, elevator, etc.			50	%	32	844,387	29	698,028	27	609,439
4	Total power						3,483,097		3,105,020		2,866,619
5	Total transformer load (kVA) – CosΨ 0.8						4,353,871		3,881,275		3,583,274

**GRI 303
WATER CONSUMPTION**

Water supply and saving water

Water supply and saving water:

Use clean water from local water supply plants with appropriate capacity for each specific project.

In technical design, we use water taps with sensor, taps with air mixing mode in the discharge process, dual-flush toilets, high-capacity automatic washing machines, etc. for optimized water saving.

Use hot water systems with solar energy for power-intensive projects such as hotels, contributing to considerable electricity consumption decrease.

Build underground water tanks and recycle rain water and wastewater treated by environmentally accredited systems at project sites for plant watering (on average, the amount of recycled water is about 300 m³ per project).

Apply electronic devices to control water consumption and detect losses and incidents for timely actions.

Target and demand for water

Supply

Water provided to the project site is from the City's clean water supply.

Water quota and demand

The site area is located in the new urban area of Ho Chi Minh City.

The non-regulated water use coefficient of $K_{day} = 1.2$ and $K_{hour} = 1.4$.

A project's water demand is calculated according to Vietnam Building Code - QCVN 01: 2008/BXD.

Forecast the maximum water supply of one project

No.	Water use purpose	Quota	Unit	Sizing	Unit	Flow rate (cu. meters per day)
1	Water for apartments	250 (*)	Liter/person	1,500	Person	375
2	Water for offices and restaurants	75 (*)	Liter/person	200	Person	15.0
3	Public use, watering, etc.	5	%			19.5
4	Total					409.5
5	Contingency (leakages, etc.)	<25	%			97.5
6	Total water demand					507.0



Millennium Project

ENVIRONMENTAL QUALITY MONITORING DURING OPERATION

Monitoring the quality of emission at the source

Electric generators are equipped with dual-stage smoke filters which reduce toxic gases emitted during fuel combustion.

Monitoring position: 2 points at the 2 exhaust ducts of the standby generator's.

Monitoring indicators: Dust, CO, NO_x, SO₂, and noise.

Monitoring frequency: every 3 months and when requested by the regulator.

Comparative norms:

- QCVN 19:2009/BTNMT - National technical norms on industrial emissions for dust and inorganic substances (column B, K_p = 0.9; K_v = 0.6).
- QCVN 26:2010/BTNMT - National technical norms on noise.

Environmental monitoring of waste water quality

Monitoring position:

- 01 position in front of the wastewater treatment system.
- 01 position behind waste water treatment system.
- 01 position at the manhole connecting wastewater with the shared sewer.

Monitoring indicators: pH, BOD₅, TSS, total dissolved solid, sulphide (calculated according to H₂S), nitrate (calculated according to N), Ammonium (calculated

according to N), dynamic oil, plants, total surface-active agents, phosphate, coliform.

Monitoring frequency: every 3 months and when requested by the regulator.

Comparative norm: QCVN 14: 2008/BTNMT - National technical norm on domestic wastewater quality (column B; K = 1).

Continuous automatic monitoring of treated wastewater with a discharge volume of 1,000 m³ per day and more.

Supervision of domestic solid waste and hazardous waste

Scope of monitoring: Monitoring the storage of waste, its composition, volume and contracting vendors.

Monitoring frequency: every 6 months and when requested by the regulator.

Apply:

- Circular No. 36/2015/TT-BTNMT dated 30 June, 2015 of the Ministry of Natural Resources and Environment on the management of hazardous waste.
- Decree No. 38/2015/ND-CP dated 24 April, 2015 of the Government regulating waste and scrap management, payment of sanitation fees and environmental protection fees according to Decision No. 88/2008/QĐ-UBND dated December 20, 2008 of the Municipal People's Committee.

The estimated environmental monitoring cost when the project enters stable operation about VND 20 million per time.

ENVIRONMENTAL PROTECTION



The EverRich Infinity Project

ENVIRONMENTAL QUALITY MONITORING DURING OPERATION

Air quality monitoring

Monitoring position:

- 01 point at the project entrance gate.
- 01 point in the second basement near the wastewater treatment system.
- 01 point on the ground floor near the waste storage area.

Monitoring indicators: Dust, SO₂, NO₂, CO, NH₃, H₂S, noise.

- Monitoring frequency: every 6 months.

Comparative norms:

- QCVN 05: 2013/BTNMT - National technical norms on ambient air quality.
- QCVN 26: 2010/BTNMT - National technical norms on noise.

Emission monitoring at the source

Monitoring positions: 1 point at the exhaust opening of the standby generator's.

Monitoring indicators: Dust, CO, NO_x, SO₂, and noise.

Monitoring frequency: every 3 months.

Comparative norms:

- QCVN 19: 2009/BTNMT- National technical norms on industrial emissions for dust and inorganic substances (column B, Kp = 0.9; Kv = 0.6).
- QCVN 26: 2010/BTNMT - National technical norms on noise.

Environmental monitoring of wastewater quality

Sampling location: post - treatment wastewater.

Monitoring indicators: pH, BOD₅, TSS, total dissolved solid, sulfur (calculated according to H₂S), nitrate (calculated according to N), ammonium (calculated according to N), dynamic oil, plants, total surface active substances, phosphate, coliform.

Monitoring frequency: every 3 months.

Comparative norms: QCVN 14: 2008/BTNMT - National technical norms on domestic wastewater quality. (column B; K = 1).

Monitoring of solid waste and hazardous waste:

Hazardous waste

- Frequency: every 6 months.
- Apply: Circular No. 12/2011/TT-BTNMT dated 14 April, 2011 of the Ministry of Natural Resources and Environment on hazardous waste management.

Monitor domestic solid waste

- Frequency of gathering: daily.
- Gathering done by: Responsible entities.
- Apply Decree No. 59/2007/ND-CP dated 9 April, 2007 of the Government on solid waste management, payment of sanitation fees and environmental protection fees under Decision No. 88/2008/QĐ-UBND dated 20 December, 2008 of the Municipal People's Committee.

The environmental monitoring cost is estimated at VND 15 million per occasion during stable operation.

GRI 307 ENVIRONMENTAL PROTECTION COMPLIANCE

Environmental monitoring management methods are introduced in our projects appropriately and absolute compliance with the applicable laws on environment is assured.

Environmental impact assessment (EIA) reports are implemented in accordance with applicable regulations and submitted to relevant authorities for appraisal before construction commencement.

Planning and technical standards and norms are adopted in compliance with both central government and local authorities. Much space is dedicated to greenery and landscaping, thus, profit is second to a well balanced land to building ratio. Typically: At River City project (The EverRich 2), a large proportion of the site is dedicated to a water reservoir which helps balance the surface water amount and prevent flooding for the entire area.



COMPLIANCE WITH LAWS ON FINES

Criterion	of cases
Total monetary value of significant fines	01
Total non-monetary sanctions	None
Cases referred to dispute handling mechanisms	None

Constantly invest in new machinery, modern and standard equipment to minimize noise, smoke, odor, and gas pollution.

At any project, close liaison with contractors is carried out to establish environmental protection rules and regulations.

Work with contractors to consider and implement high-safety and environmental friendly technical solutions in construction work.

Organize inspections and supervision of contractors' compliance with environmental protection regulations. Coordinate with contractors to handle any inappropriate events.

Barriers with solid structures are installed at all construction areas, meeting aesthetic and sustainability requirements throughout the construction process and preventing the spread of dust, noise, vibration, and light within the neighbourhood.

Drainage systems with proper connectivity are implemented at project sites to ensure thorough drainage and prevent flooding. Construction wastewater, before being discharged into the shared drainage system, must be channeled into well-sized manholes where soil and mud will settle down through settling compartments.

Wastewater and waste is treated before being discharged into the environment. Wastewater from construction work is led into the sedimentation tank for treatment before being discharged into the City's sewer.

In 2018, PDR was fined for 01 case

Upholding the compliance with applicable regulations. After the receipt of Decision No. 5742/QĐ-CT-XP on September 12th, 2018, PDR paid the full fine amount notified by the tax authority of HCMC.

Other areas

In 2018, PDR was not involved in any cases relating to the conflict of interests. We neither used forced labor nor child labor and strictly comply with the laws regarding social insurance, health insurance and other benefits for employees relevant to the labor market.

Labor Policies



GRI 401 EMPLOYMENT

New recruits: 84 persons.

Termination: 64 persons, including 29 new hires in 2018.

GRI 402 STAFF - MANAGEMENT RELATIONSHIP

The right to join the Trade union, collective labor agreements, commitments to workers:

Employees are free to register for trade union membership.

Monthly dialogues with employees are an opportunity for the BOM to share company situation with employees and receive their recommendations and feedback.

The Company's collective labor agreement ensures employees enjoy social insurance, health insurance, unemployment insurance, and other regulatory benefits.

GRI 403 OCCUPATIONAL HEALTH AND SAFETY

Benefits provided to full-time employees

The company fully implements salary and bonus policies. Besides, we offer health care insurance for managers and combined accident insurance for all employees. Other benefits including but not limited to maternity leave, pension benefits, shares ownership rights are also offered.

Social insurance for PDR employees

Year	Unit	Total social, medical and unemployment insurance premiums	Employees' share of social, medical and unemployment insurance premiums	Total social, medical and unemployment insurance premiums
2014		784	374	1,158
2015		1,147	547	1,694
2016	Million VND	1,650	788	2,438
2017		2,670	1,295	3,966
2018		4,634	2,263	6,898

Maternity leave

Maternity leave return rate: 100% - Maternity leave retention rate: 100%

Description	Labors (person)	Rate (%)
Total number of employees eligible for maternity leave	02	100%
Total number of employees actually taking maternity leave	02	100%
Total number of employees returning to work in 2018 after maternity leave	02	Not available since several employees are still on their maternity leave in 2018



Work safety

Apply regulations on safety, environmental sanitation and food hygiene and safety at the head office as well as at project management units at construction sites.

Equip uniforms and protective equipment for employees working at construction sites as well as those working in hazardous environment such as security guards and cleaning workers.

Fully implement support programs for workers encountering accidents or occupational diseases. The company buys combined health and accident insurance for all employees, thereby ensuring timely support for workers in the event of misfortunes.

Regularly organize education, training and consulting activities related to worksafety and occupational health to prevent and control risks of diseases and accidents.

Organize training courses on fire control and safety with the participation of all employees.

SOCIAL DEVELOPMENT

GRI 404 EDUCATION AND TRAINING

Much importance is addressed to on-the-job training. More senior employees act as coaches for newcomers, thereby ensuring succession and promoting the Company's strengths.

Refer to the "BOM's evaluation report HR policy" - page 52



GRI 416 CUSTOMER SAFETY AND HEALTH

Responsibilities for products

In order to absolutely ensure customer benefits, PDR always pays attention to quality control from the start of project implementation to delivery. PDR's quality control, in summary, comprises of four steps as follows:

- 1 Control the quality of inputs**
 - Check construction technical design drawings.
 - Check and control all materials used.
 - Implementing product models.
- 2 Quality control during construction**
 - Approve construction methods.
 - Control quality during construction.
 - Inspect, test, and approve each construction item.
 - Control quality through author supervision and quality control by government bodies such as fire control authorities, construction inspectors, appraisal authorities, etc.
- 3 Control the quality of finished products**
 - Trial operation of all systems both under no load and full load conditions.
 - Seek government bodies' inspection, approval and certification.
 - Invite customers to perform comparative checking of real products and samples (in the event there is a commitment of sample products).
- 4 Product hand-over**
 - Establish a product quality inspection and approval committee whose membership comprises of: The developer, the Building Management Committee, the consultant, and the contractor to review product quality before hand-over to customers.
 - Invite customers to accept products at site, acknowledge customers' feedback and solve any outstanding issues (if any).



Currently PDR is only in the process of understanding the green capital market and has no activities related to this field.

Report related to the green capital market under the guidance of the State Securities Commission

In our viewpoint, the green financial development roadmap comprises of the following steps:

- 1 Develop a green growth plan**

Determine development and growth objectives; Define and review the current green growth plan (if it is already available); Evaluate economic, social, environmental, political, institutional, policy, and legal framework conditions as well as impacts on green growth.
- 2 Evaluate by industry**

Evaluate industry potential / demand for green growth to achieve economic and development objectives; Prioritize investment by industry; Evaluate priority industries.
- 3 Prepare policy**

Identify environmental standards and requirements; Identify certification reports and verification methodology; Industry; Ecological areas (such as water, agricultural waste, etc.); Determine penalties for non-compliance.
- 4 Funding**

Provide funding options; Tax assessment; Allocation between the private sector and the public sector.
- 5 Implement policy**