

# LEAPING FORWARD

ANNUAL REPORT 2022



**PHATDAT**  
CORPORATION  
Real Estate Development

# SUSTAINABILITY REPORT

In addition to strictly adhering to current sustainability regulations in all business and project development activities, PDR is making its efforts to study and implement sustainable development at a higher level in a more proactive manner.

# REPORTING STANDARDS

PDR's Sustainability Report is prepared in reference to the latest version of GRI - the international standards for corporate sustainability reporting that are widely applied in many countries.

PDR identifies key areas based on a comprehensive assessment of stakeholder concerns and their impacts on the Company. Key areas are disclosed in this report as the core contents.

In parallel with compliance, PDR has used the GRI 2021 standards as a framework to assess performance and detect shortcomings in sustainable development. Thereby, PDR is making proactive progress toward full compliance with international standards for sustainable development in the future.

Furthermore, PDR consulted the IFC's Guidelines on Environmental and Social Disclosure, the State Securities Commission and Circular 155/2015/TT-BTC to create this report in an informative and responsible manner.

## Reporting scope

This report was prepared in Vietnam, covering real estate investment and business.

This report details the scope of activities of Phat Dat Real Estate Development Corporation (PDR), including operations of the main office, three branches and nine subsidiaries.

- **Branches:** Quang Ngai branch, Phu Thuan branch and District 5 branch, HCMC.
- **Subsidiaries:** Please refer to pages 78-79 for more information.

## Reporting period

The report's information has been updated for the financial year 2022, which begins on January 1, 2022 and ends on December 31, 2022.

Since 2018, PDR has conducted annual sustainability reporting which has been published in conjunction with the Annual Report.

## Contact information


PDR would like to receive feedback on issues related to the report, in order to make it a valuable reference for the Company, stakeholders, investors and shareholders. Please kindly send your feedback, if any, to the following address:

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In addition to LEED, PDR applies FITWEL to its new projects to enhance the quality of living environments.

## MESSAGE ON SUSTAINABLE DEVELOPMENT

Alongside growth strategies, PDR prioritizes responsible development as the primary goal of business development. At the same time, PDR's consistent philosophy as a real estate developer is to create living spaces. Instead of simply selling real estate, the Company seeks to instill positive, long-term values in the lives of its customers.

Therefore, PDR's development journey includes continuous learning and improvement of sustainable development standards. PDR is well aware that the choices and actions of a real estate business have both direct and indirect impacts, in both short and long term, on the life quality of residents as well as the socio-economic and cultural development of the locality where the Company's project is located.

To date, all PDR projects have complied with all applicable sustainability-related regulations. In addition to strict compliance, PDR strives to go above and beyond to create superior comfort and unrivaled value for its products. That is one of the reasons why PDR's products have incredible market competitiveness and maintain their tremendous excellence over time.

PDR is also well aware that the economy and society have entered a new era where the harmony between nature and nurture takes precedence. As a result, over the past year, PDR has worked to improve its understanding of ESG in order to develop appropriate ESG strategies for increasing the Company's business performance and value.

In the long term, the Company aims to build its own system of standards, beyond the general mandatory regulations. This is about motivating the Company and its products to leverage its competitiveness and forge ahead as the market leader rather than simply meeting current needs. PDR's projects, whether in the residential or hospitality segments, must create a space of experience, comfort and happiness for users while also being a driving force in promoting new market standards.

In the medium term, PDR will develop action plans that can have a practical impact on sustainability implementation throughout the entire project development process, thereby ensuring that products, services and business operations always prompt improvements of relevant standards.

In the short term, PDR strictly implements environmental and cultural standards in all projects, such as LEED and FITWEL. In particular, PDR is considered one of the first real estate developers in Vietnam to apply FITWEL - an international standard system with comprehensive requirements for providing a healthy, convenient and humane living environment. This standard system has been officially implemented in PDR's Thuan An Building 1 and 2 projects.

To have a specific orientation for sustainability research and implementation, PDR identifies three main principles as follows:

- **Accompanying local growth**

PDR is one of the pioneering enterprises paving the way for the prosperity of the real estate sector in many localities, especially developing cities. PDR is thus dedicated to setting good examples, advocating urban upgrades, generating economic opportunities and promoting modern civilized lifestyles. All PDR projects must add value to the lives of residents. PDR's projects are developed in line with local development policies and delivered at a level comparable to those in major cities.

- **Developing with responsibility**

In each project design, PDR always emphasizes the use of natural landscapes and the capacity of urban planning-architectural design to create the highest harmony. In addition, PDR prioritizes the efficient use of resources and selects technological solutions to help minimize energy consumption, emission and waste.

- **Taking care of people**

The Company strives for a humane working environment and consistent improvements for employees, from remuneration to welfare. The Company creates the best conditions for employees to realize their full potential through flexible recruitment policies and intensive training programs.

In addition to developing human resources and taking good care of current employees, PDR pays attention to disadvantaged groups in society, by regularly supporting educational programs and sponsorship initiatives to improve the cultural, spiritual and physical health of local communities.

PDR's operations in this industry are guided by the motto of Development for **Prosperity rather than Development for Profit**.

In this approach, PDR not only complies with, but has also cultivated a strong vocation for going beyond and above the general regulations on sustainable development. PDR's strategic orientation will place a greater emphasis on ESG, increasing its contributions to and positive impacts on the community along the Company's journey of sustainable development.

# PROCESSES AND LEVELS OF SUSTAINABILITY IMPLEMENTATION

## 01 BOARD OF DIRECTORS

- Developing sustainability strategies that correspond to business strategies, based on the identification of key areas related to the Company.
- Directing methods and means, issuing appropriate policies to ensure that the Company's business operations and management processes do not impede the implementation of the sustainable development strategy.
- Approving goals and action plans for the effective implementation of sustainability strategies.

## 02 BOARD OF MANAGEMENT

- Creating action plans with specific roadmaps and targets to implement sustainability strategies and policies.
- Planning and providing budgets, resources and conditions for each division and department to implement in accordance with the approved plan.
- Promoting sustainable development activities of departments, subsidiaries and stakeholders in line with the Company's sustainability orientation.
- Improving communications and raising awareness of sustainability among all employees and stakeholders.
- Evaluating and appraising the results of sustainability implementation in a professional and transparent manner, in conjunction with the overall business results of the Company.

## 03 DEPARTMENTS, DIVISIONS AND SUBSIDIARIES

- Developing separate plans corresponding to the scope, functions and tasks of the department/division/unit and consistent with the Company's orientation, then implementing them with the highest capability.
- Communicating to each unit and department in charge for action.
- Reporting timely and regularly, as well as making recommendations to improve efficiency.

## 04 EMPLOYEES

- Implementing sustainable development activities within their scope of responsibilities and capabilities, under the assignment, supervision or encouragement of their department/division/unit.
- Incorporating sustainability awareness into daily practices.
- Proposing, initiating, responding or contributing based on personal experiences and actual observations, in order for the Company to make timely adjustments to sustainability solutions.



# SUSTAINABILITY IMPLEMENTATION HIGHLIGHTS OF THE YEAR

## APPLYING FITWEL TO THUAN AN 1 & THUAN AN 2

Following the community's experience with the Covid-19 pandemic, PDR has prioritized activities that contribute to the improvement of health and living environments.

This is a new system of standards, proposed in 2016 by the US Centers for Disease Control (CDC) and General Services Administration (GSA). Fitwel takes the experience of holistic human health and well-being as the basis for building a standard system for construction works. Accordingly, in the design of projects, Fitwel rigorously evaluates 12 items, from the entrance and the outdoor landscape to the indoor space.

Fitwel has recently been recommended as a reference and an application model because it is compatible with many emerging trends of modern life, especially in urban areas. In particular, people must live in harmony with nature to counter the increasing dangers of climate change and to improve their health against risks of more complicated diseases. People also need easier and fairer access to green, clean and healthy lifestyles, regardless of age, ethnicity and socio-economic conditions.

Thuan An 1 and Thuan An 2 projects (Binh Duong Tower), favorably located in Thuan An city, have a total area of about 4.5 ha and play a great role in shaping the local landscapes, promoting socio-economic development and leading positive lifestyles of the new urban area. The adoption of new standards such as Fitwel demonstrates PDR's efforts to fulfill its commitment to sustainable development.



## GREENING NHON HOI

As the developer of Nhon Hoi Ecotourism City consisting of Zones 2, 4 and 9, PDR has made an important contribution to the new look of the locality, creating a driving force for the wider region's development.

To form the desirable living space for the project, PDR has invested immensely in public space and natural landscape, through which green coverage accounts for about 44% of the total area, equivalent to over 32,000 m<sup>2</sup>. Up to now, the Company has planted 50,000 trees and flowers of all kinds, along with 30,000 m<sup>2</sup> of grass.

The above efforts have brought new vitality to the parched land of the Central Coast, turning it into a new tourism, cultural and economic center of Binh Dinh.



## DONATING CHARITY HOUSES AND GREAT SOLIDARITY HOUSES

PDR donated five charity houses for disadvantaged households in Quang Ngai and VND 1 billion to the Great Solidarity House Building Fund in Binh Dinh in the past year.

In addition, the Company donated VND 1 billion to support Tra Vinh Province in the program "Tet for the poor in 2022".

Quang Ngai, Binh Dinh and Tra Vinh are the three provinces in which PDR has been implementing many charitable programs for community development.





### SPONSORING VIETNAM'S TRAINING PROGRAM FOR YOUNG FOOTBALLERS

In September 2022, PDR signed a contract with ACA Football Partners Group to become the main sponsor of a youth football training program jointly implemented by Vietnam Cable Television (VTVcab), ACA Football Partners and Vietnam Youth Football Training Center (PVF Football Academy).

With the above plan, PDR has contributed to promoting the development of football and the positive sports spirit among Vietnamese people.

### ORGANIZING THE ANNUAL FRIENDSHIP FOOTBALL TOURNAMENT

"Phat Dat Champions 2022" took place at the end of June 2022 in Ho Chi Minh City. This is an annual friendly football tournament organized by PDR, bringing together teams from leading enterprises in the real estate industry such as Hung Thinh, An Gia, Danh Khoi and Sunshine.

This is also part of PDR's inclusive corporate culture. In addition to building a professional working environment, the Company focuses on physical and mental health improvement for employees and promotes good relationships between industry peers.

### ORGANIZING 2022 TEAM BUILDING THEMED "RELENTLESS ASPIRATION"

PDR's team-building and 18th-anniversary celebration were held in Con Dao with the attendance of nearly 350 employees in PDR and member companies. Many meaningful activities took place with an inspiring atmosphere, helping the staff to reflect on past experiences and unite toward new objectives.

Building a professional, cohesive and humane working environment is a goal throughout PDR's development journey. In the past year, PDR was officially ranked in Vietnam's 100 best places to work and the real estate industry's 10 best places to work, which demonstrates its commitment to this goal. This is also part of the grand principle of "Taking care of people" in the Company's sustainable development orientation.



### 20-BILLION DONATIONS TO COMMUNITY AND BENEVOLENT ACTIVITIES IN THE YEAR

In the past year, in addition to self-initiated activities, PDR actively participated in various community and charity programs. The budget allocated for these initiatives amounted to roughly 20 billion VND.

PDR carefully selects organizations and activities to support, firstly prioritizing those with prominent reputations and significant impact, such as the Vo Hong Son Center for Raising Children with Disabilities in Quang Ngai and the Light Candles commemoration event organized by the Ho Chi Minh City Youth Union to honor Invalids and Martyrs.

The second category concerns local promotion and cultural activities, namely Da Lat Flower Festival and Dong Thap Lotus Festival, among others.

PDR has also contributed to health and sports activities, such as Ho Chi Minh City Bicycle Federation and football tournaments, to promote a healthy lifestyle.

In particular, as a real estate enterprise, PDR contributes to bringing seminars - forums on economic information, market trends, and industry-related ideas, demonstrating its commitment to making a positive impact in the communities it serves.



## WINNING TOP 50 CORPORATE SUSTAINABILITY AWARDS 2022

The TOP50 Corporate Sustainability Awards in 2022 (TOP50 CSA) were presented in August 2022 by Nhip Cau Dau Tu Magazine to recognize businesses that operate effectively and sustainably, with the presence of PDR in the listed companies category.

"TOP50 Corporate Sustainability Awards 2022" was evaluated based on specific criteria of stable growth, corporate cultural values, corporate governance, environmental protection awareness and social responsibility. This initiative was organized in response to Decision No. 167/QĐ-TTg of the Government, contributing to the promotion of sustainable development in the business community and Vietnamese society.

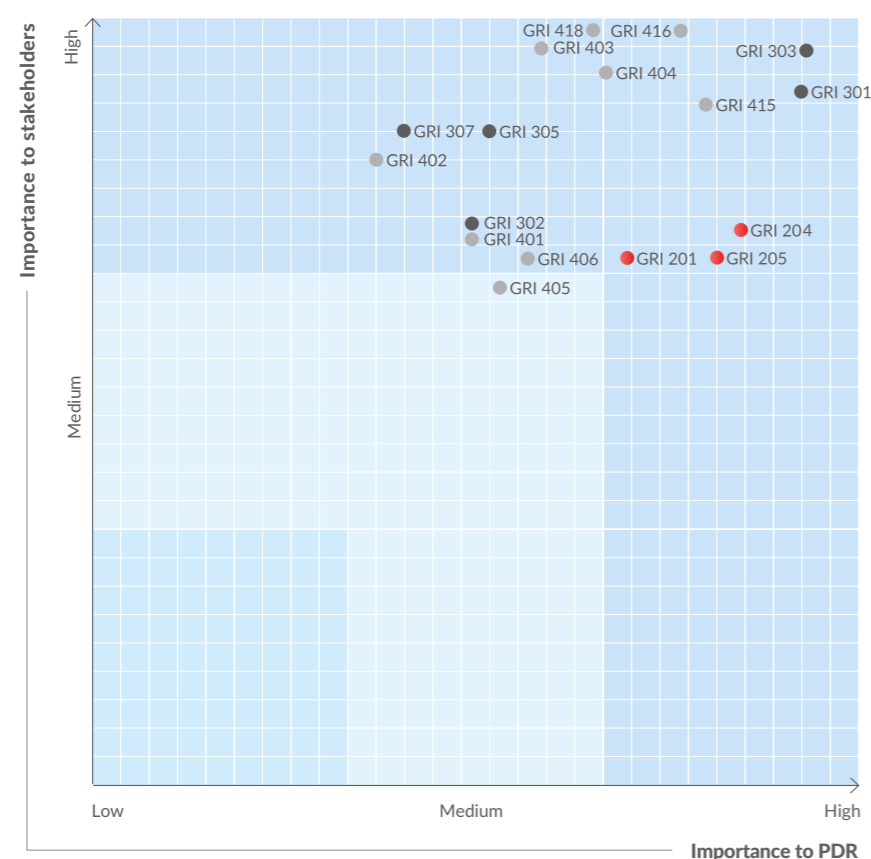


# KEY ISSUES IN REFERENCE TO THE GRI STANDARDS

PDR has identified key issues through meetings of the Board of Directors and heads of departments. Results have been updated on PDR's materiality matrix for 2022.

By implementing internationally-recognized CG models, including IFC's CG methodology and GRI's international standards for sustainable development, PDR's Board of Directors is acutely aware of the growing responsibility for stakeholders, especially investors and shareholders - the critical contributors to the Company's capital.

In the current scope and nature of business activities, the Company focuses on 17 key topics under three important themes: Economy, Environment and Society.



## ● Economic efficiency

GRI 201	Economic performance
GRI 204	Procurement practices
GRI 205	Anti-corruption

## ● Environmental protection

GRI 301	Materials
GRI 302	Energy
GRI 303	Water and effluents
GRI 305	Emissions
GRI 307	Environmental compliance

## ● Social Development

GRI 401	Employment
GRI 402	Labor/Management relations
GRI 403	Occupational health and safety
GRI 404	Education and training
GRI 405	Diversity and equal opportunity
GRI 406	Non-discrimination
GRI 415	Public policy
GRI 416	Customer health and safety
GRI 418	Customer privacy

# GRI 200 – ECONOMIC TOPICS

## 1. GRI 201. ECONOMIC PERFORMANCE

In terms of economic performance, the Company focuses on developing information based on direct economic value generated and distributed (EVG&D) with an accrual basis. Efforts to protect businesses from unfavorable market conditions, such as those experienced in the past year, are required to maintain the ability to make practical contributions to the state budget, the community, and society, to retain job opportunities for employees, and to maximize the interests of investors and shareholders.

PDR generated a total direct economic value of VND2,879 billion from project sales, financial activities, and other sources of revenue in 2022, despite significant fluctuations in the entire real estate industry. The total payment to the State budget was VND 321,748,933,492. Furthermore, the total undistributed economic value was VND 1,132,031,246,289.

## 2. GRI 204. PROCUREMENT PRACTICES

Compliance, transparency and fairness are evident in PDR's procurement regulations. Facing frequent changes in the supply of materials, equipment, machinery and construction workers, PDR regularly updates the regulations to ensure maximum practicability and opportunities for all stakeholders.

Here are some key principles:

- Creating an open and equal bidding mechanism, supporting small and medium enterprises with local labor resources while ensuring quality and high economic efficiency for bidding packages.
- 100% of construction contractors are domestic contractors, committed to prioritizing the use of local labor.
- 95% of design consultants and executives are qualified domestic entities. Foreign design consultants account for only 5% but are responsible for important design items such as master planning, architectural design, interior, landscape, and lighting in order to ensure:
  - o The project is designed by world-renowned, prestigious, and experienced architects.
  - o The ideas of urban planning design are visionary and fully aligned with sustainable socio-economic development, creating a perfect living space.
  - o Design solutions reflect the harmony between modern global trends and traditional local culture.
  - o Architectural design is unique, dynamic, creative and elegant.
- Maximizing the proportion of goods of domestic origin, about 85% of materials used for PDR's housing projects are produced locally or provided by local partners.

## 3. GRI 205. ANTI-CORRUPTION

Through the assessment, PDR identifies significant corruption-related risks in the following stages:

- Site clearance and compensation for land and houses.
- Bidding to select service providers and construction contractors.
- Management of contractors in the process of service provision and construction.
- Distribution of the Company's products to customers.

From this assessment, PDR can determine the corruption management and prevention process through three layers of defense as follows:

### 1<sup>st</sup> layer of defense

Issuing processes and regulations in bidding, contract management, payment and construction for departments in charge to apply and implement appropriately.

### 2<sup>nd</sup> layer of defense

All activities related to PDR's procurement must be evaluated using the current database, reports and negotiations of the Internal Control Department in order to inform the Board of Management for decision-making.

### 3<sup>rd</sup> layer of defense

Based on the annual risk assessment results of PDR and the Group, the Internal Audit Department will plan to conduct audits of procurement activities.

PDR conducts communication and training on anti-corruption policies and procedures for all employees, suppliers, construction contractors and consultants.

With the above efforts, in 2022, PDR did not record any corruption incidents.

# GRI 300 - ENVIRONMENTAL TOPICS

Real estate development entails an increase in the construction and exploitation of natural resources, including raw materials and fuels, as well as an increase in the transformation of matters and generation of waste in the environment.

In order to minimize this impact during the construction process, besides working with reputable contractors and partners through a strict bidding review, PDR's technical department is constantly researching new materials and technologies to apply changes selectively and effectively, following global trends of green construction.

Due to the uniqueness and different progress of each project, PDR will only provide environmental data for each individual project and plans to implement data consolidation in the future.

## GRI 301. MATERIALS

PDR's technical department is constantly researching new materials and technologies in order to implement changes selectively and effectively, in accordance with global green construction trends. Here are a few examples:

- For construction materials, PDR prioritizes the use of environmentally friendly and locally available materials (brick and stone, machines, pipelines, etc.) to gradually replace imported materials.
- Traditional baked bricks whose production increased harmful emissions are being replaced by lightweight bricks or unburnt bricks. This replacement is more environmentally effective, yet still ensures the safety of the load-bearing structure.
- Artificial wood, laminated wood, MDF, and plywood are to replace natural wood in flooring. Artificial wood has good quality, less warping, as well as better water and acid resistance, providing aesthetic satisfaction and cost-effectiveness. At the same time, some types of wooden floors made from bamboo with great durability, lightweight, rapid regeneration and environmental friendliness are also selected for installation in some projects.

## GRI 302. ENERGY

All PDR projects follow energy-saving best practices. PDR actively controls machine uptime and employs new, high-efficiency equipment to reduce energy loss. Common practices include the use of solar energy systems, low-power LED lighting systems and smart control solutions in apartments.

The implementation of such new technologies, despite incurring higher initial investment costs for PDR, will help reduce power consumption on the environment, operating costs for property managers, and other costs for users in the long run.

## GRI 303. WATER

PDR uses clean water supply at local water supply plants in appropriate volumes for each specific project.

Water-saving features such as touch-sensitive faucets, faucet aerators, dual flush toilets, and high-capacity automatic washing machines are frequently used in the technical design of PDR's projects.

The Company also prioritizes using solar water-heating systems for high-demand projects in order to save massive amounts of electricity.

Projects also have underground water tanks and reuse rainwater and wastewater that have been treated by qualified stations for watering plants. The average amount of reused water in a project is more than 300 m<sup>3</sup>.

Water systems in projects also include electronic devices to control water consumption, allowing users to detect losses and problems early on and avoid waste during use.

## GRI 305. EMISSION

Every newly deployed project is planned methodically and scientifically with an eye toward environmental protection, maximizing natural strengths by promoting available space advantages. When the projects come into operation, the environmental quality is strictly monitored to ensure the best living space for users and the local community.

## GRI 307. ENVIRONMENTAL COMPLIANCE

Complying with environmental regulations during project implementation is a mandatory principle for PDR and its partners such as construction contractors and material suppliers. The Company closely monitors and ensures no violation or any intentional wrongdoings. The Company also keeps up with new regulations and has solutions for issues that arise due to a lack of transparency between parties.

In the past year, PDR has not recorded any case of intentional violation of environmental regulations.



# GRI 400 - SOCIAL TOPICS

## GRI 401. EMPLOYMENT

PDR's headcount fluctuated throughout 2022 as a result of market changes. By the end of the year, the workforce reached stability with 269 employees.

Through project implementation, PDR also creates indirect jobs in localities, with estimated use of 10,000 laborers per year.

## GRI 402. LABOR/MANAGEMENT RELATIONS

PDR always ensures compliance with the Collective Labor Agreement, Labor Law and relevant laws. In addition to progressive policies to build a humane, fair and transparent working environment, the Company also creates favorable conditions for the Trade Union's activities and organizes periodical dialogues, meetings and employee conferences in accordance with the regulations.

PDR ensures that employees fully understand the Company's orientation, goals, plans, and business situation, while also encouraging them to contribute their thoughts on issues concerning the Company's activities and employee interests.

## GRI 403. OCCUPATIONAL HEALTH AND SAFETY

In 2022, PDR recorded no cases of work-related accidents. To prevent and promptly support employees in occupational health and safety issues, PDR has implemented the following activities:

- Ensuring adequate insurance contributions, including social insurance, health insurance and unemployment insurance, and allowing employees to claim insurance benefits as prescribed by law.
- Purchasing accident insurance for all employees and health insurance for managers.
- Complying strictly with current laws on occupational safety and hygiene.

## GRI 404. TRAINING AND EDUCATION

PDR promotes a learning culture and provides staff training in a variety of ways, including:

- Large-scale conferences and seminars for the entire staff to keep them up to date on common issues or to train them in new skills.
- In-depth training programs for personnel assigned to specific tasks.
- Internal training programs for departments/divisions/units.
- External training courses/programs in which employees' participation is strongly encouraged and supported by PDR.

## GRI 405. DIVERSITY AND EQUAL OPPORTUNITY AND GRI 406. NON-DISCRIMINATION

In PDR's working environment, there is no discrimination based on ethnicity, region, age, gender or educational level. The Company's goal is to build a diverse pool of human resources with the necessary skills, expertise, and attitudes that are compatible with its corporate culture and development orientation.

The Company evaluates employees based on their work performance and contribution, and gives opportunities to those who are willing to stay and grow with the Company.

## GRI 408. CHILD LABOR AND GRI 409. FORCED OR COMPULSORY LABOR

PDR closely monitors operations to ensure there is no use of child labor or forced labor in any form. As the Company is aware that such cases may occur at construction sites, contractors and labor force suppliers are required to strictly adhere to this commitment, along with PDR's close supervision.

## GRI 415. PUBLIC POLICY

PDR does not engage in political activism. Instead, the Company focuses on contributing to the overall development of the economy, society and local communities by creating top-quality construction works, providing jobs for people and contributing to the State budget.

## GRI 416. CUSTOMER HEALTH AND SAFETY

The health and safety of customers are always the top priority when PDR implements a project. This is why the Company constantly improves the quality of construction and management services, ensures a comfortable and healthy living environment for residents and customers, and contributes to the prosperity of the whole community.

The projects invested and developed by PDR fully meet the requirements for fire safety, security and utilities. Safety instructions and warnings are always designed in accordance with recognized standards. The Company keeps striving for more, such as the application of Fitwel, to make projects more accessible and friendly even to disadvantaged groups such as the disabled, children and the elderly.

## GRI 418. CUSTOMER PRIVACY

Customer personal information is subject to strict confidentiality in accordance with PDR's personal information protection policies and the Law on Consumer Rights Protection.

The Company guarantees not to use, transfer, provide, or disclose any customer data to third parties without the consent of the Company or the customer. In the event of information leaks resulting in the loss of customer data, the Company will be responsible for collaborating with appropriate authorities, resolving issues, and informing customers.

# GREEN CAPITAL MARKET OPERATIONS

In recent years, PDR has extensively researched and analyzed the green capital market. This type of capital can benefit both businesses and communities. Moving forward, PDR aims to actively pursue opportunities to access green capital and meet the necessary qualifications to secure this type of funding.

# PARTICIPATION OF STAKEHOLDERS

## GR102-43: IDENTIFICATION OF STAKEHOLDERS

PDR identifies stakeholders based on the following impacts and influences:

Operational analysis	Proposal	Discussion and evaluation	Identification
Analyzing operations and activities in the value chain of real estate projects and BT projects.	Proposing a list of organizations and individuals associated with each activity in the Company's value chain. PDR focuses on entities that have been partners as well as those with experience and expertise in each field.	Discussing and evaluating stakeholders using a professional approach and available data.	Creating a list of stakeholders in each activity in order of priority.

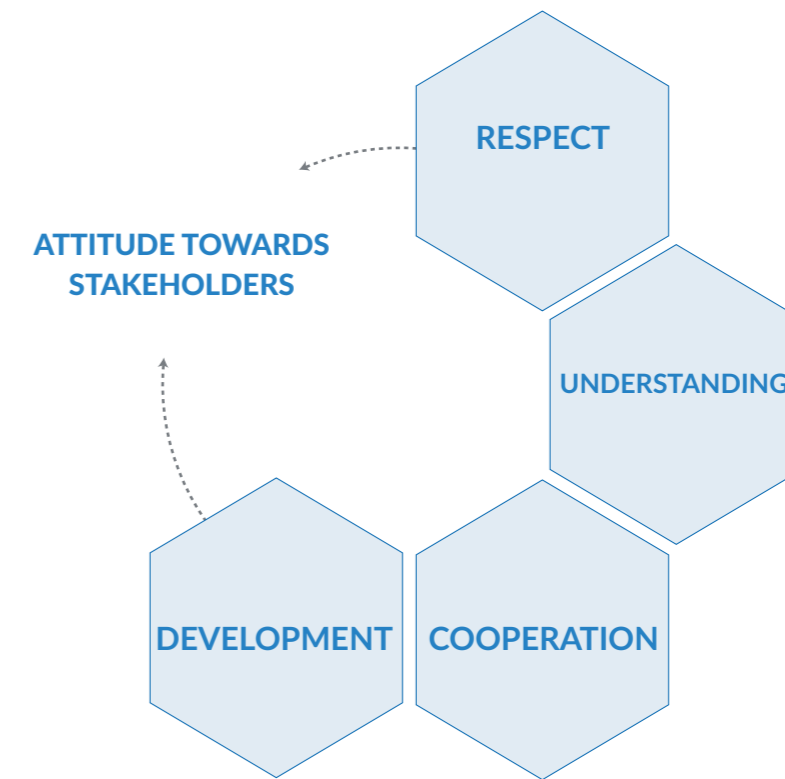
## GR 102-42: IDENTIFICATION AND SELECTION OF STAKEHOLDERS

PDR identifies all parties affected by the Company's activities and/or having certain interests and influences on sustainable development, then selects key stakeholders based on levels of engagement (from low to high).

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

<b>CUSTOMERS</b>	Direct users of PDR'S products
<b>PARTNERS</b>	Providers of services and solutions related to real estate project development, construction contractors or material and equipment suppliers.
<b>SHAREHOLDERS AND INVESTORS</b>	Individuals or entities with legal ownership of part or all of PDR's contributed capital, and have rights and obligations associated with PDR's performance.
<b>EMPLOYEES</b>	One of the core components of the Company's production force.
<b>COMMUNITY</b>	A collective with defined relationships, affected by specific factors; also an object of concern in the current socio-economic context.
<b>GOVERNMENT</b>	Legal or regulatory agencies of the State involved in the inspection and formation of regulations.
<b>COMPETITORS</b>	Businesses with the same target customer segment and the same product category, serving the same customer needs.
<b>MEDIA AGENCIES</b>	Agencies involved in press publishing and media activities.
<b>FINANCIAL INSTITUTIONS</b>	Agencies that provide financial solutions.

## GR 102-21: STAKEHOLDER CONSULTATION MECHANISM, KEY CONCERNS AND PDR'S RESPONSES



- Upholding transparency in all activities, PDR has been actively building sustainable relationships with stakeholders based on the values of "Respect - Understanding - Cooperation - Development" to bring long-term prosperity to all parties. Feedback from stakeholders is the basis for PDR to reflect on its operations and identify more useful solutions for sustainable development. Therefore, stakeholder feedback is always received and handled by PDR in a timely, transparent and reasonable manner.
- Feedback is received by the person in charge and the relevant department, then analyzed and handled promptly and effectively.
- Evaluations of stakeholder feedback are reported to the BOM/BOD through reports, discussions and meetings.
- Appropriate feedback is translated into practical directions and measures for immediate implementation by the person in charge.
- Other responses that are not enacted will be reported back to the stakeholders for further discussion.
- A great deal of feedback from stakeholders has helped the Company adjust its plans and actions, thus lowering costs and increasing legal compliance.

# IDENTIFICATION OF RELATED ISSUES

PDR identifies related issues based on:

- Real estate industry context.
- Stakeholder concerns.
- Issues that reflect PDR's impacts on the economy, environment and society.

Stakeholders	Approaches	Key concerns of stakeholders	PDR's responses
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>- Receiving information and problems through face-to-face meetings or via social networks and email info@phatdat.com.vn of the relevant department.</li> <li>- Meeting customers through sales events, customer appreciation programs, customer conferences and other initiatives</li> <li>- Directly sending written information to customers about the Company's products and business policies.</li> </ul>	<ul style="list-style-type: none"> <li>- Reasonable price.</li> <li>- Quality and service.</li> <li>- Customer satisfaction.</li> <li>- Business approach and employee efficiency.</li> <li>- Product liability.</li> <li>- Sales policy.</li> <li>- After-sales policy.</li> </ul>	<ul style="list-style-type: none"> <li>- Complying strictly with legal regulations in domestic and foreign markets.</li> <li>- Providing reasonable and competitive pricing policies, as well as ensuring that there are no conflicts of interest between customers and the Company.</li> <li>- Demonstrating commitment to providing the highest quality and service to customers.</li> <li>- Each employee must pay attention and show understanding to customers while maintaining a positive attitude and being willing to address all of their legitimate concerns during the interaction.</li> <li>- Showing gratitude to customers through customer conferences, promotions and appealing after-sales policies.</li> <li>- Establishing a mechanism to deal with customer complaints.</li> </ul>
<b>PARTNERS</b>	<ul style="list-style-type: none"> <li>- Interacting with and directly discussing issues through meetings; receiving and resolving inquiries via email, phone, fax and other communication channels of the Company.</li> <li>- Participating in joint activities related to cooperation, development and investment issues, as well as sustainable development with the community.</li> <li>- Acknowledging feedback and handling critical issues as quickly as possible.</li> </ul>	<ul style="list-style-type: none"> <li>- Professional capacity and financial capacity.</li> <li>- Cooperation process.</li> <li>- Respect for the interests of all parties.</li> <li>- Effectiveness of cooperation.</li> <li>- Safety, health and environment.</li> <li>- Information confidentiality.</li> </ul>	<ul style="list-style-type: none"> <li>- Fairly selecting suppliers based on quality profile, technical ability, past experience, etc.</li> <li>- No disclosure of confidential supplier information to their competitors.</li> <li>- Maintaining open dialogue on issues, promoting positives and mitigating negatives in order to build long-term mutually beneficial relationships.</li> </ul>
<b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>- In-person meetings on a monthly, quarterly and on-demand basis.</li> <li>- Receiving and handling inquiries via email, phone, fax, etc.</li> <li>- Holding AGMs and EGMs.</li> <li>- Disclosing detailed financial statements on the mass media in accordance with regulations of the State Securities Commission and HOSE.</li> <li>- Sharing information at seminars, annual forums, and industry fairs.</li> </ul>	<ul style="list-style-type: none"> <li>- Business results.</li> <li>- Performance status and efficiency.</li> <li>- Development orientation and strategy.</li> <li>- Risk management.</li> <li>- Information transparency.</li> <li>- Information confidentiality.</li> </ul>	<ul style="list-style-type: none"> <li>- Holding public programs and conferences on a regular basis to provide investors with a comprehensive view of the Company's operations as well as future development strategies such as: sending periodic newsletters, holding AGMs and EGMs, customer conferences, and participating in exchanges with domestic and foreign investors.</li> <li>- Fair exchange and disclosure of information, ensuring equal investment opportunities for all investors.</li> <li>- No disclosure of information about investors and shareholders without permission or without the request of legal authorities.</li> </ul>

Stakeholders	Approaches	Key concerns of stakeholders	PDR's responses
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>- Surveying and receiving opinions of employees about the working environment and policies on welfare, salary and bonus or corporate culture, both directly and indirectly.</li> <li>- Organizing monthly dialogues and discussions with employees.</li> <li>- Holding bonding events and activities on significant occasions such as public holidays and the Company's anniversary.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company's remuneration and benefits.</li> <li>- Promotion opportunities.</li> <li>- Labor safety.</li> <li>- Work environment.</li> <li>- Co-worker relationship.</li> <li>- Management-employee relationship.</li> </ul>	<ul style="list-style-type: none"> <li>- Making annual improvements to the salary, bonus and welfare policies for employees.</li> <li>- Implementing talent retention solutions.</li> <li>- Offering training and career development programs for employees.</li> <li>- Establishing a code of conduct throughout the Company to build a strong culture.</li> <li>- Carrying out team-building activities on a regular basis to create a cohesive and healthy working environment for employees.</li> <li>- Governance is based on respect for employees, including respect for employees' decisions, wishes, aspirations, freedoms and other legal rights.</li> </ul>
<b>COMMUNITY</b>	<ul style="list-style-type: none"> <li>- Participating in community-building programs and other initiatives of the state and local authorities.</li> <li>- Providing information on business activities through official public communication channels.</li> </ul>	<ul style="list-style-type: none"> <li>- Employment.</li> <li>- Contribution to the community.</li> <li>- Responsibility for the community.</li> <li>- Direct and indirect impacts of the Company on the environment and community during its operation.</li> </ul>	<ul style="list-style-type: none"> <li>- Demonstrating commitment to putting the environment first, minimizing the impact on the environment during implementation and operation of large-scale projects.</li> <li>- Ensuring responsibility to the community, environmental protection and economic development for the country.</li> <li>- Continuing charitable activities to build a better community.</li> </ul>
<b>GOVERNMENT</b>	<ul style="list-style-type: none"> <li>- Participating in seminars and conferences about real estate, construction and architecture organized by ministries and sectors.</li> <li>- Participating actively in architecture, construction and project development associations.</li> <li>- Publicizing tax information and reports according to current regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company's compliance with the laws</li> <li>- Difficulties the Company encountered in the implementation of policies and regulations.</li> <li>- General market trends and industry trends.</li> <li>- Conducting investment and business activities that are responsible for customers, society and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Complying with the Government's regulations and Vietnamese laws on economy, society and environment.</li> <li>- Fulfilling all obligations to the State Budget.</li> </ul>

# COMMITMENTS

PDR values its relationships with all stakeholders and sees them as a critical foundation for stable and sustainable development. The Company develops and implements strong, detailed and realistic commitments to demonstrate this realization.

Stakeholders	Approaches	Key concerns of stakeholders	PDR's responses
<b>COMPETITORS</b>	<ul style="list-style-type: none"> <li>- Sharing and discussion with competitors through meetings of professional associations and meetings with potential real estate investors organized by HOSE</li> <li>- Maintaining personal relationships with the leadership of competitors.</li> <li>- Compiling information about competitors through news from official media channels.</li> </ul>	<ul style="list-style-type: none"> <li>- Code of conduct with competitors.</li> <li>- Healthy competition.</li> <li>- Compliance with antitrust and competition laws.</li> </ul>	<ul style="list-style-type: none"> <li>- Respecting competitors in good faith and constantly learning from their successes.</li> <li>- No destructive actions along with recognition of competitors' successes, respecting their interests and creating healthy competition for mutual prosperity</li> <li>- Demonstrating commitment to fair competition, not engaging in any attempts to manipulate market prices and not accepting confidential information about competitors.</li> <li>- Respond flexibly to fierce competition, showing consistency in the principle of business transparency and putting quality, prestige and brand first. Complying with antitrust laws and competition laws, ensuring fair, free and open competition.</li> </ul>
<b>MEDIA AGENCIES</b>	<ul style="list-style-type: none"> <li>- Sending press releases and holding press conferences.</li> <li>- Participating in interviews in the mass media.</li> <li>- Updating important information regularly on the Company's website and social networks.</li> <li>- Cooperating in the organization of television programs and publishing information on the mainstream media about outstanding events.</li> </ul>	<ul style="list-style-type: none"> <li>- Business results.</li> <li>- Development strategies.</li> <li>- Accuracy of information.</li> <li>- Proactivity in providing information.</li> </ul>	<ul style="list-style-type: none"> <li>- Building good relationships with media agencies, press and television services on the principle of equality, transparency and legality.</li> <li>- Ensuring accuracy, clarity, completeness and objectivity of any information provided so that the media agencies have the exact details about the Company's operations.</li> <li>- Handling media crises with a positive attitude, professional communication and firm transparency in the face of objections and accusations.</li> </ul>
<b>FINANCIAL INSTITUTIONS</b>	<ul style="list-style-type: none"> <li>- Interacting and exchanging information directly through face-to-face meetings, emails or seminars on investment cooperation.</li> <li>- Developing detailed plans to ensure cooperation among stakeholders.</li> <li>- Managing risks and providing transparent and accurate information.</li> <li>- Participating in joint activities related to cooperation, development, project investment and sustainable development with the community.</li> <li>- Acknowledging feedback and handling critical issues as quickly as possible.</li> </ul>	<ul style="list-style-type: none"> <li>- Business results.</li> <li>- Performance status and efficiency.</li> <li>- Development orientation and strategy.</li> <li>- Competence and efficiency of cooperation.</li> <li>- Respect for the interests of all parties.</li> <li>- Safety, health and environment.</li> <li>- Risk management.</li> <li>- Information transparency.</li> <li>- Information security.</li> </ul>	<ul style="list-style-type: none"> <li>- Demonstrating commitment to transparency and providing timely, consistent information.</li> <li>- Developing financial control and risk management plans for strict implementation, creating stable cash flow for sustainable development.</li> <li>- No disclosure of confidential information of stakeholders.</li> <li>- Respecting the interests of the stakeholders, ensuring harmonization of interests in cooperation and investment.</li> </ul>

## COMMITMENT TO EMPLOYEES

- Maintaining its position among Vietnam's 100 Best Places to Work. PDR considers people a key factor in the development process. Therefore, PDR not only ensures the full implementation of welfare benefits for employees in accordance with legal regulations, but also has its own policies on favorable remuneration, creating a friendly, comfortable and united working environment.
- Striving to increase employee income and keep it competitive in comparison to the market while ensuring transparency and compatibility with the labor market and the Company's business operations. Policies on salary, bonus, remuneration, and commendation are implemented fairly and clearly, providing rewards proportional to the effort and contribution to PDR.
- Opposing all forms of forced labor and ensuring maximum benefits for employees within the framework of Vietnamese law, international practices, and PDR's specific conditions and capabilities.
- For all intents and purposes, PDR remains transparent, sincere and respectful of individual differences. The Company is willing to listen and support all of its employees, keeping the commitment to each individual to strengthen the collective.

## COMMITMENT TO PARTNERS, SHAREHOLDERS AND CUSTOMERS

- Taking customer satisfaction as one of the key metrics for business value, protecting customer interests, as well as respecting and keeping commitments with customers.
- Complying strictly with the current law, ensuring the harmony of interests in all activities, and always promoting good relationships among stakeholders.
- Ensuring information confidentiality and prohibiting all retaliatory behaviors against critics or whistleblowers while appreciating all goodwill contributions and feedback from partners, suppliers and customers. PDR has a department dedicated to receiving comments from stakeholders and ensuring timely, reasonable and professional responses in accordance with the Company's code of conduct as well as Vietnamese law.

## COMMITMENT TO THE COMMUNITY

Maximizing efforts to limit adverse impacts on the environment and community in all activities related to investment and project development. PDR's projects are all developed on the principle of urban upgrade towards the aesthetic harmony of tradition and modernity, contributing to a higher quality of life for residents and the general beauty of the social environment.

- Fully committing to sustainable development, promoting operational productivity and business values in the highest correlation with the good development of local communities and society.
- Striving to effectively implement humanitarian and CSR activities, making active contributions to positive change. PDR's humanitarian and CSR activities offer a depth of values and long-term effectiveness in order to ensure the strongest impact for the communities in need.

# DECLARATION OF ACCURACY AND HONESTY OF 2022 ANNUAL REPORT

PDR pledges that the content of the 2022 Annual Report, which is integrated with the Company's Sustainability Report, has been prepared in full compliance with Appendix 04 of Circular No. 96/2020/TT-BTC.

PDR chooses to apply a governance model consistent with the provisions of the Enterprise Law, the Government's Decree on CG and the following international standards:

- OECD
- ASEAN Scorecard
- VNSI

The Sustainability report is prepared in conformity with the Global Reporting Initiative (GRI) Standards.



The CG principles of the Organization for Economic Co-operation and Development (OECD)

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## ACMF

The ASEAN Corporate Governance Scorecard



The Sustainability report is prepared in conformity with the GRI Standards

For information on CG, business management, business strategy and financial situation, PDR commits that:

- The contents presented in the 2022 Annual Report comply with regulations on information disclosure of relevant authorities and international practices.
- The information and data presented in the 2022 Annual Report are consistent with the 2022 Financial Statements audited by Ernst & Young Vietnam Co., Ltd.

**For further information about the mentioned departments/individuals or any feedback on this Annual Report, please contact:**

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PDR is being careful and proactive in protecting its business foundation during the unpredictable fluctuations of the real estate industry and the overall market. The company is constantly improving its internal capabilities and is ready to pursue larger plans once market conditions improve.

Drawing from its extensive experience in navigating economic and social changes, positive relationships with the business community and investors, valuable land holdings and projects, and great vision with corresponding aspirations, pdr is actively seeking new prospects and opportunities to rebound as soon as possible.



**PHATDAT**  
CORPORATION  
Real Estate Development

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