



PHATDAT
CORPORATION
Real Estate Development



**READY FOR NEW
OPPORTUNITIES**

ANNUAL REPORT 2023

SUSTAINABILITY REPORT

In PDR's new evolution, ESG is placed at the center, with the goal of increasing investment in research, awareness, and practice. As a professional real estate developer, PDR recognizes that this is essential for achieving true sustainable development for the Company, stakeholders, and communities.





REPORTING STANDARDS AND SCOPE

Since 2018, PDR has produced an annual Sustainability Report to document and evaluate sustainable development practices in business operations. Given its current scale, PDR publishes the Sustainability Report as part of its Annual Report.

The content of PDR's Sustainability Report refers to the most recent version of GRI Standards, which are international sustainability reporting standards used by businesses in numerous countries. Information and data are reported annually. For data from other periods, PDR will provide specific presentations or notes.

To identify key issues, PDR uses a combined assessment of stakeholder concerns and their implications for the Company. This report's core content focuses on these key issues.

In addition to compliance, PDR uses the GRI 2021 Standards as an assessment framework to assist the Company in identifying shortcomings in sustainable development. As a result, the Company has set a goal of improving and proactively achieving full compliance with international sustainability standards in the future.

Furthermore, to ensure proper reporting, we follow the IFC's Environmental and Social Information Disclosure Guidelines, the State Securities Commission, and Circular 155/2015/TT-BTC.

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 ten subsidiaries.

Branches:

Quang Ngai Branch, Phu Thuan Branch and District 5 Branch in HCMC.

Subsidiaries:

Please refer to pages 90-91 for more information.

Reporting period

The report's information has been updated for the fiscal year 2023, which begins on January 1, 2023, and ends on December 31, 2023. This official report is published with the Annual Report within the prescribed time frame for information disclosure.

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:

Phat Dat Real Estate Development Corporation

39 Pham Ngoc Thach Street, Vo Thi Sau Ward, District 3, HCMC.

Telephone: +84.28.3898 6868

Fax: +84.28.3898 8686

MESSAGE ON SUSTAINABLE DEVELOPMENT



In recent years, the global socioeconomic outlook has been highly volatile. The recession is having a far-reaching impact following unprecedented events in human history, such as the COVID-19 pandemic, extreme natural disasters, and prolonged armed conflict.

Vietnam is no exception. Furthermore, as a developing country, the country faces numerous domestic environmental and social issues. The balancing of economic growth, social welfare, and environmental preservation is an ongoing challenge.

That reality places greater responsibility on businesses, including reducing negative environmental impacts during production and operation, conserving resources, developing new solutions to protect the ecosystem and restore damaged nature, and promoting modern standards of civility and prosperity for the community without sacrificing natural and cultural heritage.

As a real estate company, PDR's activities will be associated with the aforementioned responsibilities and challenges. A real estate project always has two components: creating new projects for the market and changing the existing natural and social conditions.

PDR is therefore well aware that the projects it develops will have significant long-term effects on society. The enterprise's business philosophy, values, and methods of action will determine whether the impact on the community is positive or negative.

Based on this awareness, PDR develops consistent criteria for responsible development. In all growth strategies, PDR

strives to harmonize the interests of the business with the values brought to the community, both now and in the future. PDR's philosophy of creating living space serves as a constant reminder to maintain such harmony. The Company must provide real estate products that contribute to positive change in the community, improve customers' quality of life, and increase convenience for stakeholders.

More specifically, PDR projects adhere to all requirements for sustainable development, from general standards to industry-specific regulations. Furthermore, PDR proactively approaches and implements higher standards within the scope of its capacity. This is why many PDR's projects meet new international standards, most notably LEED and FITWEL.

To ensure that sustainable development is practiced consistently and effectively, PDR establishes directions that align with long-term, medium-term, and short-term business strategies.

In the long term, PDR intends to develop its own set of ESG standards. These must go beyond simply complying with general industry regulations. By pioneering the use of higher standards, PDR will create differentiation and new value for products, increasing competitive edges and market leadership.

In the medium term, PDR will create a specialized department to develop professional action programs, implement them throughout business operations, and track the results for each product, activity, or relationship. The Company must demonstrate its positive impact on ESG practices with localities, customer-partner communities, and employees.

For sustainable development practices in 2024, PDR will closely monitor compliance with all regulations and standards. More importantly, the Company will encourage the incorporation of international standards like LEED and FITWEL into current projects.

“Climate change serves as a guiding factor for PDR in assessing and refining its standards for project development. These adjustments and adaptations unfold throughout the design-construction process and during product usage.”



To provide a specific orientation for sustainable development research and implementation, PDR identifies three major principles as follows:

- **Developing together with localities**

PDR is one of the pioneering enterprises that is paving the way for the real estate sector's prosperity in many communities, particularly in developing cities. PDR is thus committed to setting a good example, advocating for urban improvements, creating economic opportunities, and promoting modern, civilized lifestyles. All PDR projects must improve the lives of residents, align with the local development strategies, and feature standards equivalent to high-quality products found in major urban centers.

- **Developing with responsibility**

PDR always emphasizes the use of natural landscapes in each project design, as well as the ability of urban planning and architectural design to achieve the highest level of harmony.

In addition, PDR prioritizes resource efficiency and selects technological solutions to reduce energy consumption, emissions, and waste.

- **Developing human resources**

PDR aims to enhance people's lives and contribute to their development. The Company strives for a humane working environment and consistent improvements for its employees, including remuneration and welfare. The Company provides the best conditions for employees to reach their full potential through flexible recruitment policies and intensive training programs.

For customers – the users of its products, the Company selects the best options to create optimal living spaces, thereby improving quality of life and expanding opportunities for future generations.

PDR regularly implements action programs for disadvantaged groups. The Company prioritizes programs that promote education, culture, and public health.

Over the past year, PDR has gained valuable experience in the practice of sustainable development. The Company will leverage this experience to craft a professional, comprehensive sustainability strategy that will be more effective and influential in the future.

To ensure the sustained use value of the product, PDR diligently monitors the evolving trends in both social and natural environments within each host locale. Leveraging this understanding, investments and the adoption of new international standards are carefully coordinated to enhance both the immediate and long-term value of the project.



SUSTAINABILITY HIGHLIGHTS IN THE YEAR

PROMOTING THE APPLICATION OF INTERNATIONAL STANDARDS FOR SUSTAINABLE DEVELOPMENT IN NEW PROJECTS

PDR's practical choices to adapt to climate change include:

- Planning and architectural design based on natural conditions.
- Prioritizing the preservation and expansion of green areas, through restoration and new planting.
- Applying new technologies to conserve resources.
- Opting for optimal materials to minimize resource consumption and waste.

PDR's new office building was designed and built in accordance with LEED standards, a certification issued by the US Green Building Council. This project is part of the green development trend in the heart of Ho Chi Minh City.

Thanks to cutting-edge materials and equipment that fully meets strict LEED standards, the project is expected to save more than 40% of water and more than 10% of electricity in operations, compared to conventional standards.

Nevertheless, with a modern design, this building provides an airy space, which benefits users' physical and mental health.

The effective use of green criteria in the new office building demonstrates PDR's commitment to improving sustainability standards. This valuable experience has inspired PDR to implement these standards in other projects.

Another typical example is the use of the Fitwel standards for the Thuan An 1 and 2 projects. This is a new standard system launched in 2016 by the Centers for Disease Control (CDC) and the United States General Services Administration. Fitwel uses its experience with holistic human health and well-being to develop a standard construction system. As a result, Fitwel rigorously evaluates 12 project design elements, ranging from the entrance and outdoor landscape to the indoor space.

Fitwel has recently been recommended as a reference and application model due to its compatibility with many emerging trends in modern life, particularly in cities. People, in particular, must live in harmony with nature in order to combat the growing dangers of climate change and protect their health from more complex diseases. People need easier and more equitable access to green, clean, and healthy lifestyles, regardless of age, ethnicity, or socioeconomic status.

PDR is a pioneering real estate developer in Vietnam that has implemented Fitwel standards. Thus, Thuan An 1 and 2 complex introduces a product portfolio with exceptional values to the Binh Duong market, ensuring the highest-quality living environment for residents.





**PDR STAFF PARTICIPATES
IN "DONATING BOOKS,
NURTURING DREAMS"**

Over the years, the Charity Club, founded and run by PDR employees, has been very active. "Donating books, Nurturing dreams" and "Connecting love" are two standout activities. Last year, the club's destinations included Be Tho Shelter (Bien Hoa, Dong Nai) and Linh Quang Shelter (Xuan Loc, Dong Nai), both of which care for nearly 200 orphans. The club distributed numerous gifts and supplies to the two shelters. On International Children's Day, the club also held social activities for the children here.

**DONATING COMPUTER LAB
TO QUANG NGAI ETHNIC
BOARDING HIGH SCHOOL**

On the commencement of the 2023-2024 school year, PDR donated a computer lab to the Ethnic Boarding High School of Quang Ngai Province. The lab has 18 high-quality computer sets and equipment that fit the school's curriculum. The total sponsorship was about VND 350 million.

The goal of this project is to help disadvantaged schools improve their infrastructure, giving students more access to technology and practice with computers. Quang Ngai Ethnic Boarding High School is a learning facility for children from ethnic minorities in the province's mountains, including H're, Cor, and Cadong.

**SPONSORING BINH DINH
TOURISM FESTIVAL 2023**

PDR partnered with the Binh Dinh Department of Tourism for the 2023 Binh Dinh Tourism Festival, themed "Quy Nhon: Sea Paradise of Brilliant Colors." The program was held on the holiday of April 30th and May 1st at Nguyen Tat Thanh Square in Quy Nhon City to promote cultural beauty, tourism resources, and local identity to visitors.



**CONTRIBUTING TO THE
HONG BANG SCHOLARSHIP
FUND**

PDR awarded 10 scholarships worth VND 30 million, to the Scholarship Fund of Hong Bang International University in Ho Chi Minh City. This is a scholarship fund for disadvantaged students who perform well academically. This scholarship program is part of PDR's overall strategy to encourage talent and develop young human resources.

**HONORED BY BINH DUONG
PROVINCE FOR SOCIAL
CONTRIBUTIONS**

At the end of March 2023, PDR was commended and awarded a certificate of merit by the Vietnam Fatherland Front Committee of Binh Duong Province for its contributions to local COVID-19 pandemic prevention and control efforts.

During the pandemic, PDR actively supported relief efforts in many localities, including Binh Duong Province, both financially and materially. During peak periods, PDR contributed more than VND 18 billion to the vaccine fund, provided medical equipment for the front lines, and sponsored basic necessities in hard-hit areas.

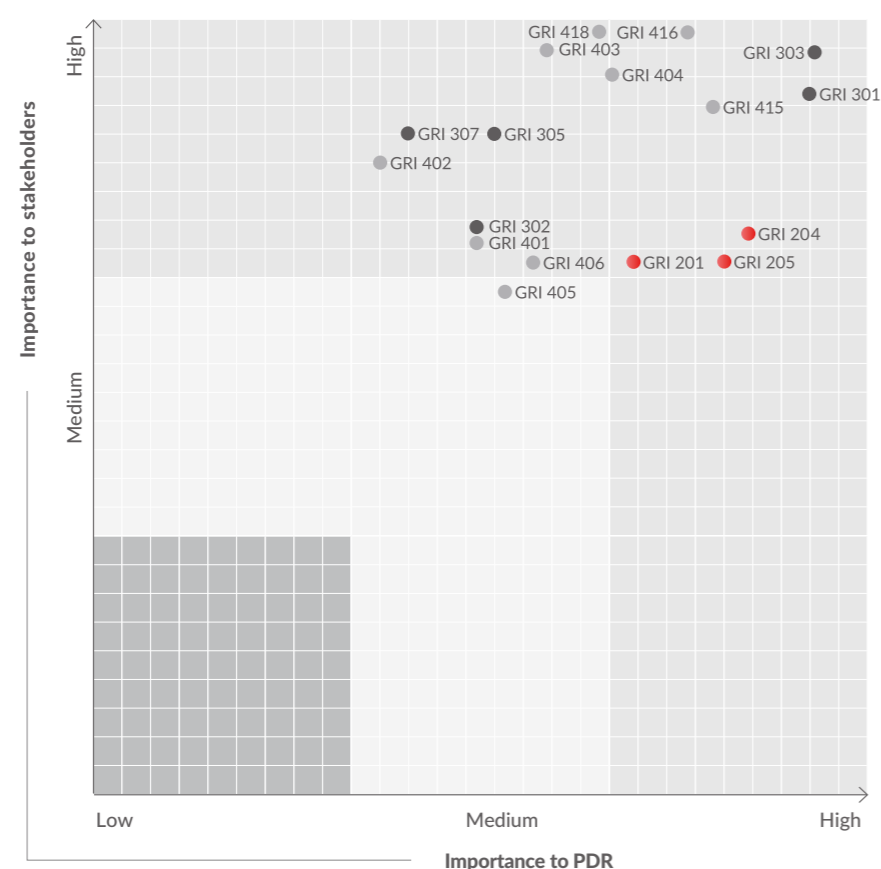


KEY ISSUES IN REFERENCE TO GRI STANDARDS

PDR uses GRI standards as a reference when assessing key issues in sustainable development. The assessment results were passed by specialized departments and the Company's Leadership Board.

PDR uses this referencing process to understand the current level of sustainability practices and to set directions for future operations. In doing so, the Company will further clarify the importance of Stakeholders, especially Investors and Shareholders, to monitor and better fulfill its roles.

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 VND 1,640 billion from sales, financial activities, and other sources of revenue in 2023, despite significant fluctuations in the entire real estate industry. The total payment to the State budget was VND 197,887,405,481. Furthermore, the total undistributed economic value was VND 763,664,641,664.

2. GRI 204. PROCUREMENT PRACTICES

Compliance, transparency and fairness are evident in PDR's procurement regulations. PDR regularly updates changes in the supply of materials, equipment, machinery and construction workers 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
- Prioritizing domestic contractors who commit to prioritizing the use of local labor.
- Prioritizing qualified domestic design consultants. Utilizing foreign design consultants for important design items such as master planning, architectural design, interior, landscape, and lighting in order to:
 - _ The project is designed by world-renowned, prestigious, and experienced architects.
 - _ The ideas of urban planning design are visionary and fully aligned with sustainable socio-economic development, creating a perfect living space.
 - _ Design solutions reflect the harmony between modern global trends and traditional local culture.
 - _ 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.

In recent times, with the above principles, PDR has used 100% construction contractors and 95% domestic design consultants.

3. GRI 205. ANTI-CORRUPTION

Through comprehensive 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:

1st layer of defense

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

2nd 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.

3rd 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 2023, PDR did not record any corruption incidents.

GRI 300 - ENVIRONMENTAL TOPICS



GRI 301. MATERIALS

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.

- 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, plywood, and particleboard 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 AND EFFLUENTS

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 m3.

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. EMISSIONS

Every newly deployed project is planned methodically and scientifically with an eye toward environmental protection, maximizing natural strengths by taking advantage of available space. 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 2023 as a result of market changes. By the end of the year, the workforce reached stability with 254 employees.

Through project implementation, PDR also creates significant indirect employment opportunities in local areas.

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 communications, 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

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.

AND GRI 406. NON-DISCRIMINATION

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.

DECLARATION OF ACCURACY AND HONESTY OF 2023 ANNUAL REPORT

PDR pledges that the content of the 2023 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)



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 2023 Annual Report comply with regulations on information disclosure of relevant authorities and international practices.
- The information and data presented in the 2023 Annual Report are consistent with the 2023 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:

Person in charge of information disclosure

Mr. Bui Quang Anh Vu
Board member - CEO
Email: vu.bui@phatdat.com.vn

PHAT DAT REAL ESTATE DEVELOPMENT CORPORATION
39 Pham Ngoc Thach Street, Vo Thi Sau Ward, District 3, HCMC.
Telephone: +84.28.3898 6868
Fax: +84.28.3898 8686

In 2024, PDR is embarking on a new chapter.

Despite less favorable market conditions and numerous persisting challenges, PDR stands out for its positive attitude and proactive spirit. With a decisive mindset and the spirit that has shaped its proud 20-year history, the company enters this new phase with determination.

PDR actively shapes its recovery strategy and contributes to positive change in the real estate market.

The market's renewed prospects await businesses that have navigated recent tough selections with integrity, resilience, and a forward-thinking determination.



PHATDAT
CORPORATION
Real Estate Development