

GREEN MINDSET
SUSTAINABLE GROWTH

35 *Years*

SUSTAINABLE DEVELOPMENT



SUSTAINABILITY REPORT 2023



CONTENTS

04	Message
06	Overview
22	Approach
56	Sustainable Development Content
166	Appendix



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear Shareholders and stakeholders of HDBank,

Scientists are warning that the Earth is continuing to warm and is approaching a critical tipping point. Climate change, environmental pollution, and natural disasters are becoming increasingly frequent and severe threats around the globe. In addition, war, inequality, human rights abuses, poverty, and other social issues are also demanding action from countries around the world.

At the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), Vietnam officially announced the Plan for Resource Mobilization to Implement the Political Declaration on Establishing the Just Energy Transition Partnership (JETP), reaffirming its commitment to clean energy development and a net-zero emissions target by 2050.

At HDBank, we understand that tomorrow comes from today's actions and fully support the above commitments and goals. We are fully aware of our role and responsibility in creating value for society, protecting the environment, and contributing to the development of a green economy,

promoting human rights, and creating sustainable values for the future.

With this awareness and responsibility, over the years HDBank has not only fully complied with environmental regulations in all its operations but has also been one of the pioneers in participating in the country's climate change projects.

In 2015, HDBank was selected by the Government to be the bank serving the Climate Change Adaptation Project in the Mekong Delta region in the two provinces of Ben Tre and Tra Vinh, using ODA funds from the International Fund for Agricultural Development (IFAD) under the United Nations. Also in 2015, HDBank was selected by the Government to serve the project on Improving Energy Efficiency in Hanoi and Ho Chi Minh City, using 100 million euros of ODA provided by the German government. Subsequently, HDBank was continuously selected by the State Bank of Vietnam and the Ministry of Finance to serve projects using ODA to develop the

clean water supply system, build schools, hospitals, and economic infrastructure.

In recent years, HDBank has expanded its cooperation with many international organizations such as IFC, DEG, and Proparco to disburse hundreds of millions of USD for renewable energy programs, high-tech agriculture, small and medium-sized enterprises (SMEs), and women-owned businesses in Vietnam. In addition, we have been constantly striving to implement specific solutions and actions to reduce greenhouse gas emissions, hazardous waste, and commit to strictly manage emissions in all our activities.

As of end 2023, HDBank's green finance portfolio exceeded 12 trillion dong and total disbursement amount in 2023 to women-owned businesses exceeded 3.4 trillion dong. At the same time, HD SAISON has disbursed nearly 8 trillion dong of preferential loans to workers at industrial parks and processing zones nationwide to help low income borrowers improve their living standards.

Recognizing the importance of financial inclusion, HDBank has been promoting strategies, policies, and actions to increase access to financial services for customers in remote and rural areas. Over the past 10 years, HDBank has been committed to the strategy of a universal retail bank, targeting small and medium-sized enterprises, workers, farmers, small traders, and low-income people in second tier cities and rural areas. HDBank and our consumer finance subsidiary HD SAISON currently serve more than 17 million individual and consumer finance customers, with over 50% of outstanding loans for people and businesses in second tier cities and rural areas.

In terms of governance, HDBank is the pioneer bank to upgrade to Basel III in 2023 and is ready to apply from 2024 when approved by the regulatory authorities. The bank has also completed the project of upgrading the risk management framework; issued a framework on the environmental and social risk management system (ESMS) applied to corporate loans, specifically limiting credit to industries that have a negative impact on the environment. Throughout many generations of leadership, HDBank has always been an active and responsible bank in implementing social responsibility. HDBank's CSR activities have always received the consensus of implementation

throughout the system, bringing a better life to vulnerable groups in need of support in society.

As we move forward into our 34th year of operation, we are committed to building HDBank into a model that effectively integrates sustainable development goals into its business strategy, bringing maximum benefits to customers, shareholders, the community and society. The success of this model at HDBank has been recognized and highly appreciated by many domestic and international organizations, with numerous awards for sustainable development in 2023. HDBank was honored by Asiamoney magazine as the Best Bank for CSR in Vietnam. Notably, at the 2023 Listed Companies Awards, HDBank won two important awards: Best Listed Company for Organizing the Annual General Meeting and Best Annual Report. The Vietnam Institute of Directors (VIOD) honored HDBank's Board of Directors as the Board of the Year, recognizing its top-notch corporate governance. Previously, in 2019, HDBank was the first bank in Vietnam to be honoured by the Asian Development Bank (ADB) with a Green Deal Award.

Sustainable development is a long-term process that requires perseverance and continuous effort. Therefore, the theme of this year's annual report, "Green Mindset - Sustainable Growth", is also the focus of HDBank's journey to build a green legacy and strive to fully implement the 17 Sustainable Development Goals of the United Nations.

HDBank, together with its Board of Directors and employees, is committed to continuously creating sustainable value and fulfilling its commitment to bringing the best benefits to all stakeholders. With the utmost determination, we are confident that we will achieve and exceed our business targets for 2024 and reach new heights in sustainable development.

Sincerely,

Chairman of the Board of Directors

Kim Byoung-ho

01 Overview

- 10 About HDBank
- 14 HDBank's subsidiaries
- 16 HDBank's sustainable development imprints in 2023
- 22 Overview of Sustainability Report



OVERVIEW OF 2023 SUSTAINABLE DEVELOPMENT AND 2024 DIRECTIONS

Sustainable development, as a global aspiration, is a process that integrates the 3 key dimensions of development, including economic development, social development and environmental protection, into a harmoniously balanced whole. This is one of the goals that most countries in the world are aiming for.

Since 2004, the Vietnamese Government has issued the Strategic Orientation for Sustainable Development in Vietnam (Vietnam's Agenda 21) to promote sustainable development for the country which harmoniously combined these 3 dimensions into a single agenda. Then, in 2012, the Government issued Vietnam Sustainable Development Strategy for the 2011 - 2020 period, followed by Decision No. 841/QĐ-TTg dated July 14, 2023, stipulating the implementation roadmap for Vietnam's sustainable development goals until 2030, with 17 sustainable development goals and 117 specific targets. In response to climate change, at the 2021 United Nations Climate Change Conference (COP26), the Government made strong commitments, including Net Zero emissions by 2050.

Recognizing the importance of sustainable development for the Bank's growth, HDBank has soon integrated specific environmental, social and governance principles into its business strategies and taken appropriate actions. Since 2013, the Bank has demonstrated its decisive movements by successfully securing two M&A deals, including the merger of Dai A Commercial Joint Stock Bank and the acquisition of Société Générale Viet Finance from the French Société Générale Group. These deals set a strong foundation for HDBank's rapid penetration into the retail and consumer finance segments across the country, targeting the underserved segments in tier 2 cities and rural areas who have not yet fully accessed modern financial and banking products. After 10 years of transformation, HDBank now serves more than 17 million individual and consumer customers, actively meeting capital demands of individuals, businesses and local economies. Currently, over 50% of HDBank's loan portfolio is dedicated to the people and businesses in these areas.

When it comes to environmental protection activities, since 2015, HDBank has early on issued the Policy on Green Credit Granting and Environmental and Social Protection, making it one of the pioneering banks in promoting green credit development as well as responding to climate change and protecting human health. Since 2015, HDBank has implemented the Policy on Green Credit and Environmental and Social Protection, solidifying its position as one of the pioneering banks in promoting green credit development, improving environmental quality, and safeguarding public health. In 2015, HDBank was entrusted by the Government as the Bank for the "Project for Adaption to Climate Change in the Mekong Delta" in Ben Tre and Tra Vinh provinces, using ODA funds provided by the International Fund for Agricultural Development (IFAD) of the United Nations. In the same year, HDBank was selected by the Government to participate in the EUR 100 million project funded by the German Government on Energy Efficiency Improvement in Hanoi and Ho Chi Minh City. In the following years, HDBank continued to maintain its momentum of being entrusted by the State Bank of Vietnam and the Ministry of Finance to serve ODA-funded projects on developing clean water supplies, building schools, hospitals or economic infrastructure to promote Vietnam's inclusive economy.

In recent years, HDBank has been actively attracting capital to support various development projects, including those in rural agriculture, high-tech agriculture, small and medium-sized enterprises (SMEs), renewable energy, women-owned businesses, contributing to promoting a green economy, circular economy and financial inclusion.

In 2023, the Bank officially adopted the Regulation on Environmental, Social and Governance (ESG) Policy, orienting its employees and stakeholders towards the standards that the Bank strives for. Governance and supervision mechanisms were also established to help implement the commitments of the Board of Directors. On the same note, HDBank has formally introduced the Policy

on Environmental and Social Risk Management in Credit Extension for Corporate Clients. This policy, developed in collaboration with leading international consulting firms, aligns with current International Finance Corporation (IFC) environmental and social standards and regulations. Its aim is to ensure the effective implementation of HDBank's Environmental and Social Policy and proactively assess and manage environmental and social risks and opportunities in credit facilities. Through this regulation, HDBank demonstrates its commitment to excluding financing for activities related to coal, oil exploration and production, as well as infrastructure services related to coal and coal-fired power plants.

To uphold stakeholder rights, HDBank is steadfast in its commitment to fully comply with all laws and regulations. The Bank has established an Environmental and Social Policy to integrate key principles into its business operations, as well as a Grievance Mechanism detailing procedures for receiving, investigating, resolving, and closing complaints from stakeholders regarding the Bank's operations.

Social and community support and development are deeply ingrained in HDBank's values and legacy. The Bank consistently demonstrates a strong commitment to fulfilling its social responsibility, aiming for tangible and lasting impacts. Social security initiatives focus on three

key areas: education, healthcare, and housing. Additionally, the Bank actively nurtures the next generation by fostering young Vietnamese talent in sports and chess, with the goal of achieving international recognition.

Building on a strong foundation of achievements and values, HDBank is accelerating its sustainable development strategy in 2024, focusing on three key pillars: Environmental, Social, and Governance (ESG). This commitment is demonstrated through the following initiatives:

1. Develop a comprehensive ESG strategy and management framework; Report and disclose ESG-related information;
2. Strengthen ESG risk management: Enhancing internal training and monitoring ESG risks across business operations.
3. Advance green credit initiatives and sustainable financial products
4. Foster collaboration with international organizations, financial institutions, and government bodies to promote green credit, sustainable finance, aiming towards the goal of becoming a Net Zero Bank.



1. ABOUT HDBANK

[GRI 2-1]

Name of enterprise	NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN PHÁT TRIỂN THÀNH PHỐ HỒ CHÍ MINH
English name	Ho Chi Minh City Development Joint Stock Commercial Bank
Abbreviated name	HDBank
Stock symbol	HDB
Legal form and ownership	Joint-stock Commercial Bank
Certificate of Business Registration	No. 0300608092 granted by Ho Chi Minh City Department of Planning and Investment, 1st registered on August 11, 1992 and 33rd amended on September 5, 2023
License of Establishment and Operation	License No. 26/GP-NHNN granted by the State Bank of Vietnam dated February 12, 2020, and Decisions on amending and supplementing the License No. 26/GP-NHNN dated February 12, 2020
Current charter capital	VND 29,076 billion
Owner's equity	VND 46,400 billion
Head Office	No. 25Bis Nguyen Thi Minh Khai Street, Ben Nghe Ward, District 1, Ho Chi Minh City
Phone number	(84-28) 6291 5916
Fax	(84-28) 6291 5901
Website	www.hdbank.com.vn
Association participation	HDBank is an official member of the Vietnam Banks Association. [GRI 2-28]



1.1 VISION

To become a leading financial group with a commercial bank at its core which ranks among the best in Vietnam, which offers superior products and customer services through an international network, and which operates efficiently and is trusted by customers.



1.2 MISSION

To our customers:

HDBank is committed to deliver the best return to its customers through innovative and comprehensive financial solutions, hence meeting their diverse and ever-changing demands with critical insights.

To our employees:

HDBank creates a professional, exciting and rewarding work environment where staff can learn, innovate and contribute towards their career development.

To our partners:

HDBank is committed to maximise the interests of its shareholders and partners through robust and sustainable growth, effective governance and rigorous risk management.



1.3 CORE VALUES

Integrity and responsibility

HDBank is a trusting and earnest business collective with bold thoughts, daring initiative and a firm sense of responsibility.

Customer-orientation

HDBank places customers at the core of its operation and strives to exceed their expectations.

Consistency and flexibility

HDBank defines its goals clearly and displays consistency in their pursuit. The Bank demonstrates its proactive and flexible actions in its course towards the defined goals.

Efficiency and innovation

HDBank continually learns, innovates and perfects itself to achieve operational efficiency and superior customer services.

Professionalism and teamworking

HDBank oversees a professional operation which encourages friendly sharing and cooperation based on mutual trust and respect.

1.4 PRODUCTS & SERVICES

[GRI 2-6]

HDBank was established and operated under Decision No. 47/QĐ-UB of the People's Committee of Ho Chi Minh City dated February 11, 1989 and License No. 26/GP-NHNN issued by the State Bank of Vietnam dated February 12, 2020 (replacing License No. 00019/NH-GP of the State Bank of Vietnam dated June 6, 1992).

The Bank was established in order to perform all activities allowed for a commercial bank under applicable laws, including: mobilizing and receiving short, medium and long-term deposits from organizations and individuals; offering short, medium and long-term loans to organizations and individuals based on types and sources of its funds; providing bank guarantees; factoring invoices; issuing credit cards; offering foreign currency transactions; providing foreign exchange services, derivative products in the domestic and

international markets, international trade finance support services, discounts of commercial papers, bonds and other valuable papers, and insurance agency services, opening payment accounts; providing payment services, corporate finance consulting services and other banking services permitted by the State Bank of Vietnam.

1.5 SERVICE NETWORK

As of December 31, 2023, HDBank has one (1) Head Office in Ho Chi Minh City, one (1) Representative Office in the Northern Region, one (1) Representative Office in Myanmar, seventy-nine (79) branches, two hundred seventy-three (273) transaction offices in provinces and cities across the country, and 24,234 consumer finance transaction locations from HD SAISON.

LOCATIONS

Ho Chi Minh City	61 (Head Office included)
Hanoi	56 (Northern Representative Office included)
North	76
Central	40
Southeast - Central Highlands	75
Southwest	46
Myanmar	01 Representative Office

NUMBER OF BRANCHES AND TRANSACTION OFFICES

2. HDBANK'S SUBSIDIARIES

[GRI 2-2]

Name of enterprise	HD SAISON Finance Co., Ltd. (HD SAISON)
Legal form and ownership	Limited liability company with 2 or more members
Business Registration Certificate	0304990133
Current charter capital	VND 2,350 billion
Head Office	8-9-10 Floor, Gilimex Building, 24C Phan Dang Luu Street, Ward 6, Binh Thanh District, Ho Chi Minh City, Vietnam
HDBank's ownership ratio	50%
Association participation	HD SAISON is an official member of Vietnam Banks Association.

[GRI 2-28]

2.1 PRODUCTS & SERVICES

HD SAISON offers consumer loan products, including: installment loans for transport vehicles, household appliances and furniture, tuition fees, beauty and dental care, weddings, travel, sports and fitness, and cash loans for personal use.

In addition, the HD SAISON mobile application available on both popular operating systems, iOS and Android, allows

clients to apply for such loans entirely online with just a few taps on their phone screens.

Moreover, HD SAISON issues HD SAISON VISA international credit card embedded with contactless payment EMV chip, bringing a new experience to customers with a modern, fast and highly secure payment method.

2.2 SERVICE NETWORK

As of December 31, 2023, HD SAISON's network grew to 24,234 transaction points in 63 cities and provinces nationwide.

LOCATIONS

Ho Chi Minh City	2,687
Hanoi	1,735
North	6,525
Central	4,748
Southeast - Central Highlands	6,352
Southwest	4,887

NUMBER OF BRANCHES AND TRANSACTION OFFICES

3. HDBANK'S SUSTAINABLE DEVELOPMENT IMPRINTS IN 2023

3.1 OUTSTANDING ACHIEVEMENTS IN SUSTAINABLE DEVELOPMENT COVERING ENVIRONMENTAL - SOCIAL - GOVERNANCE PILLARS IN 2023

GOVERNANCE

Achieved a 24.2%

return on equity (ROE), placing HDBank among market leaders

25%

rate of dividends in cash and shares received by HDBank shareholders in 2023

12,6%

of the capital adequacy ratio (CAR) (according to Basel II standards)

132%

growth in the number of financial transactions on the e-banking channel

86%

growth in the number of customers engaging in transactions on the e-banking channel

Over VND 8.7 trillion

of green credit balance disbursed for business and production initiatives aimed at safeguarding the environment and addressing climate change in 2021, 2022 and 2023

Issued The Regulations on Environmental and Social Management System for Risks in Credit Extension Operations

to identify, evaluate and manage environmental and social risks in credit extension operations for commercial customers

Policy on Environmental and Social Risk Management in credit extension (ESMS)

is officially issued by the Board of Directors

Established the Environmental and Social Council

to help monitor the implementation of Environmental & Social policies and commitments

ENVIRONMENTAL

Increase by 24%

of the solar energy consumption compared to 2022

Decrease by 8.6% and 7%

in terms of paper and ink consumption rate per employee compared to 2022

Decrease by 12.4%

of the plastic consumption per profit before tax compared to 2022

SOCIAL

Increase by 249.4%

of the total expenses for staff training activities compared to 2022

20 million

shares issued in 2023 under the employee stock ownership plan (ESOP) for managers

>55%

employees are female

4,86/5

the average customer satisfaction score across 3 survey channels (over the counter, traditional communications channels and online application)

>52%

of the total loan portfolio directed to customers in secondary urban areas and rural areas

3.2 AWARDS ACHIEVED IN 2023



The Prime Minister's Certificate of Merit for Outstanding Achievements in the Prevention and Control of the Covid-19 Pandemic; contributing to building socialism and defending the country

Emulation Flag from the State Bank of Vietnam due to its remarkable achievements, leading in the emulation movement of the Banking industry



Prominent technology and digital transformation products - Vietnam Wealth Advisor Summit 2023 (VWAS 2023)



Innovation and Digital Transformation Award - ASEAN Business Awards 2023 (ABA)



Leading Partner Bank in Vietnam - Trade and Supply Chain Finance Program (ADB)



Best Retail Bank Vietnam 2023 - International Business Magazine



Most Innovative Mobile Banking Service Provider 2023 - The Global Economics



The Most Innovative Digital Banking in Vietnam 2023 - The Global Economics



Fastest Growing Digital Bank Vietnam 2023 - International Business Magazine



Top 500 Fasted Growing Enterprises 2023 - Vietnamnet & VNReport



Top 50 Vietnam Best Growth 2023 - Vietnamnet & VNReport



Top 50 Vietnam The Best 2023 - Vietnamnet & VNReport



Best Online Banking Experience Brand - Global Brand Awards



Most Customer Centric Digital Banking Brand - Global Brand Awards



Winner for 6 consecutive years of
“Best Companies To Work For In Asia”
Award - HR Asia Awards



Board of the Year Award - Annual
Forum on Corporate Governance in
Hanoi, Vietnam Institute of Board of
Directors (VIOD)



Top 10 Best Annual Reports 2023 -
Vietnam Listed Company Awards
(VLCA 2023)



Gold Winner at 2023 Vision Awards
Annual Report Competition



Annual Report of the Year in Vietnam -
MerComm Inc in the US (ARC 2023)



Top 100 Sustainable Businesses in Trade
- Services in Vietnam 2023 (CSI100 2023)



Top 10 Sustainable Brands Through
Innovation 2023 - Better Choice Awards



Best ESG Bank Vietnam 2023
- Brand & Business Magazine



Best Bank for CSR Vietnam - Asiamoney



Outstanding Bank for Green Credit
- Outstanding Financial - Banking
Products & Services Award 2023
(IDG 2023)



Outstanding Bank for Small and Medium
Enterprises - Outstanding Financial -
Banking Products & Services Award 2023
(IDG 2023)



Best Bank for Sustainable Development
Vietnam - Global Banking and Finance
Review Awards 2023



Sustainability Initiative of the Year -
Asian Banking & Finance Award 2023
(BFA)



“Gender Equality Star” in the Top 50
Corporate Sustainability Awards 2023
(CSA 50) - Nhip Cau Dau Tu Magazine

4. OVERVIEW OF SUSTAINABILITY REPORT

4.1 INTRODUCTION

In 2023, as HDBank entered the third year of its 5-year (2021-2025) strategic plan, it marked a significant milestone with the publication of its inaugural Sustainability Report. This comprehensive report outlines HDBank's sustainable development vision, goals, and performance across three key pillars: Environmental, Social, and Governance (ESG). It also details the initiatives implemented in 2023 and future plans to achieve its sustainability objectives.

Through this report, HDBank aims to transparently communicate its "green" initiatives and progress to stakeholders. It also provides insights into the Bank's plans to create lasting value for the environment and society, reinforcing its commitment to being a "Green Bank." HDBank invites stakeholders to engage in deeper collaboration, working together to drive Vietnam's green transformation across environmental, social, and economic dimensions.

4.2 SCOPE OF THE REPORT

[GRI 2-2] [GRI 2-3]

- Reporting period: January 01, 2023 - December 31, 2023
- Reporting cycle: Annually
- Information in the Report covers the entire operations of HDBank, including the Head Office, Branches and Transaction Offices. The report also covers operations of its subsidiary HD SAISON Finance Co., Ltd. in some sections.

4.3 REPORTING RATIONALE

HDBank's 2023 Sustainability Report adheres to the disclosure requirements outlined in Circular No. 96/2020/TT-BTC. Leveraging the 2016 Global Reporting Initiative (GRI) standards, as revised in 2021 by the Global Sustainability Standards Board (GSSB), the report ensures comprehensive coverage of environmental, social, and governance (ESG) dimensions, addressing key stakeholder concerns.

Furthermore, HDBank's commitment to sustainable development is reflected in the report's alignment with the United Nations' Sustainable Development Goals (SDGs). This demonstrates the Bank's active efforts and positive contributions towards achieving these goals, both in Vietnam and globally.

4.4 PERSONNEL IN CHARGE OF SUSTAINABLE DEVELOPMENT

[GRI 2-3] [GRI 2-14]

- The highest level, person in charge of implementing Sustainable Development policy at HDBank, as well as reviewing and approving the Sustainability Report 2023: **Mr. Pham Quoc Thanh** – Member of the Board of Directors, Chief Executive Officer.
- HDBank welcomes feedback to continuously improve its sustainable development practices and effectively address stakeholder expectations. If you have any questions or recommendations regarding this report or HDBank's sustainability initiatives, please contact the Bank at
 - » Email: vphdqt@hdbank.com.vn
 - » Telephone: (028) 62 915 916
- The person in charge of putting Sustainable Development policy into action: **Mr. Tran Hoai Phuong** – Head of the Commercial Banking Division and Chief of the Environmental and Social Council.



STEADFAST ON JOURNEY BUILDING THE FUTURE

02 Approach

- 24 HDBank's sustainable development Orientation and Strategy
- 30 Sustainable development Governance
- 38 Engagement with stakeholders
- 46 Material topics
- 48 Fully integrate 17 SDGs throughout key topic management



1. HDBANK'S SUSTAINABLE DEVELOPMENT ORIENTATION AND STRATEGY

1.1 JOURNEY TOWARDS SUSTAINABLE VALUE

ACTIVITY HIGHLIGHTS

2013

1. Successfully merged with DaiABank, aligning with HDBank's strategic focus on developing agricultural and rural markets, as well as expanding into tier 2 urban areas;
2. Acquired Société Générale Viet Finance Company Limited (SGVF), rebranding it as HDFinance.

2014

Transformed HDFinance into HD SAISON through a strategic partnership with Credit SAISON (Japan), transferring 49% of its capital. HD SAISON focuses on expanding financial inclusion in rural and remote areas, offering consumer credit products to underserved populations and combating predatory lending practices.

2015

1. Established policies promoting green credit and prioritizing environmental and social protection;
2. Designated by the government as the Bank for significant environmental and public health initiatives, such as Project on Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh provinces financed by the International Fund for Agricultural Development (IFAD) of the United Nations, Project on Energy Efficiency Improvement in Hanoi and Ho Chi Minh City funded by the German Government.

2018

Proactively mobilized capital to bolster resources and drive the growth of green projects and financial inclusion in Vietnam.

2019

Became the first Vietnamese bank to receive the Asian Development Bank (ADB) "Green Deal Award," recognizing its significant contribution to green trade finance with the total value of trade finance transactions for solar energy projects reaching hundreds of millions of US Dollars.

2020

1. Pioneered the implementation of electronic Know Your Customer (eKYC) and launched the Digital Bank application;
2. Secured multi-year financing agreements (2020-2024) to support rooftop solar projects in Ho Chi Minh City's industrial and export processing zones, while also collaborating with international organizations on initiatives to advance renewable energy adoption.

2021

1. Secured over US\$500 million from leading development financial institutions such as IFC, KfW DEG, Proparco, and Affinity Investments to bolster funding for renewable energy projects, community development initiatives, and women-owned SMEs;
2. Established a Digital Transformation Center (DTC) to spearhead the Bank's digital transformation journey from 2022 to 2025.
3. Formalized a commitment to exclude financing for activities with negative environmental impacts.

2022

1. Partnered with the International Finance Corporation (IFC) through a strategic cooperation memorandum of understanding to facilitate SME access to funding and global supply chains, with a focus on high-tech agriculture
2. Signed Global Trade Finance Program (GTFP) with IFC in a joint effort to promote finance for small businesses in Vietnam, as well as enhance participation in the global supply chain;
3. Earned the prestigious "The Asset Triple A Awards - Best Bank for Sustainable Finance in 2022" by The Asset, the only bank in Vietnam to achieve this recognition.

2023

1. Promulgating Regulation on Environmental - Social - Governance (ESG) Policy;
2. Establishing Environmental and Social (E&S) Council;
3. Promulgating the Policy on Environmental and Social Risk Management in credit extension (ESMS);
4. Being honored with "the Board of the Year Award" by Vietnam Institute of Directors (VIOD), recognizing the efforts of Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank - HDB) in corporate governance

1.2 SUSTAINABLE DEVELOPMENT GOALS:
COMMITTED TO THE HIGHEST RETURNS FOR ALL STAKEHOLDERS

[GRI 2-22]

Environment

- Aiming to become a Net Zero Bank by promoting and expanding cooperation with international organizations, financial institutions, and authorities to drive forward Green Finance and Sustainable Finance initiatives. The Bank will implement specific programs to achieve these goals.
- Committed to expand green loan portfolio and accompanying our clients and stakeholders in the sustainable transition, thus, achieving the national commitment of Net Zero Carbon Emission by 2050. The Bank will implement Environmental and Social Management System for all corporate clients within our portfolio according to international standards.
- Enhancing the effectiveness of our carbon footprint management system in the Bank's operations.

Social

- Promoting a concrete corporate culture, upholding HDBank's reputation as a happy workplace for all employees, and maintaining the title of Best Place to Work in Asia - HR Asia Best Companies To Work For In Asia.
- Continuing to solidify our position as a pioneering bank in implementing financial inclusion goals, alongside offering modern, sustainable financial products and services with a focus on clients in secondary cities and rural areas.
- Fulfilling the Bank social responsibility by accompanying community development in three core areas: infrastructure (housing and transportation), education, and healthcare.

Governance

- Committed to elevating our bank's governance system to be modern, efficient, transparent, and fair, adhering to the best international governance standards.
- Fully integrating ESG (Environmental, Social, and Governance) factors into our risk management system to ensure strong and sustainable growth
- Protecting and enhancing shareholders value ensuring the highest benefits to all stakeholders.
- Implementing comprehensive digital transformation, creating values, and spreading the spirit of environmental responsibility to our clients, employees, and the community.

HDBank's focus of sustainability

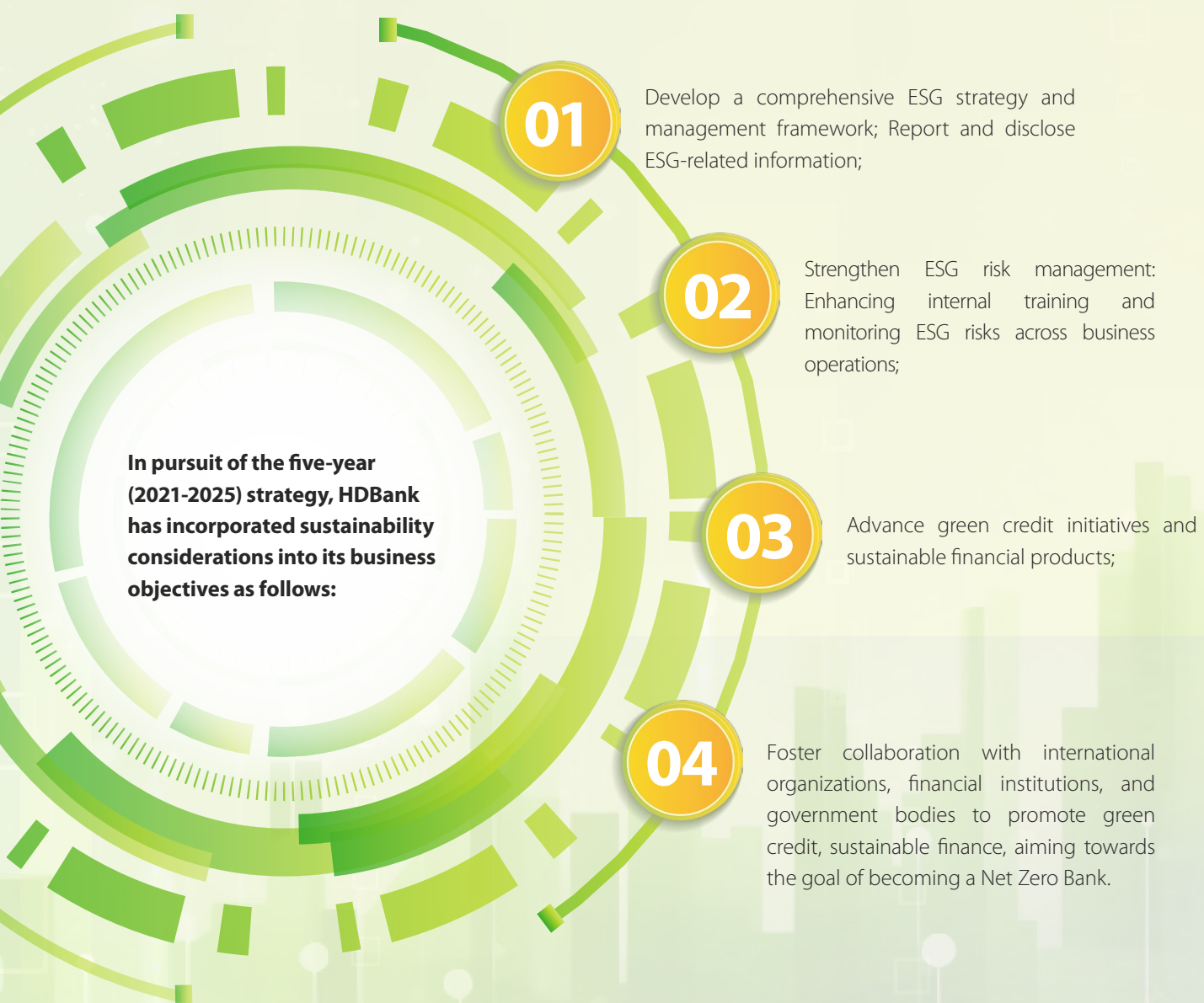
[GRI 2-24]

To achieve sustainable growth and long-term community value, HDBank is actively embedding the sustainable development goals (focusing on Environmental, Social and Governance) into its core business strategies.

Governance	Environmental	Social
HDBank drives sustainable economic growth through optimization of its business performance, contribution to the State Budget, promotion of broader economic activities, and compliance with laws and regulations.	Through green credit policies, proactive access to green financing, and internal emission reduction efforts, HDBank strives to minimize its carbon footprint and contribute to a greener and more sustainable environment.	Firmly upholding the principle of "commitment to maximizing benefits" for all stakeholders, HDBank places great importance on employee development, customer satisfaction, and community interest.

1.3 SUSTAINABILITY-ORIENTED BUSINESS TARGETS

[GRI 2-24]



In pursuit of the five-year (2021-2025) strategy, HDBank has incorporated sustainability considerations into its business objectives as follows:

HDBank has referred to the best practices in the banking industry in Vietnam and globally to establish their orientations and objectives. The Bank has committed to promote all 17 UN sustainable development goals (SDGs).

01

No poverty

02

Zero hunger

03

Good health and well-being

04

Quality education

05

Gender equality

06

Clean water and sanitation

07

Affordable and clean energy

08

Decent work and economic growth

09

Industry, innovation and infrastructure

10

Reduced inequalities

11

Sustainable cities and communities

12

Responsible consumption and production

13

Climate action

14

Life below water

15

Life on land

16

Peace, justice, and strong institutions

17

Partnerships for the goals

17

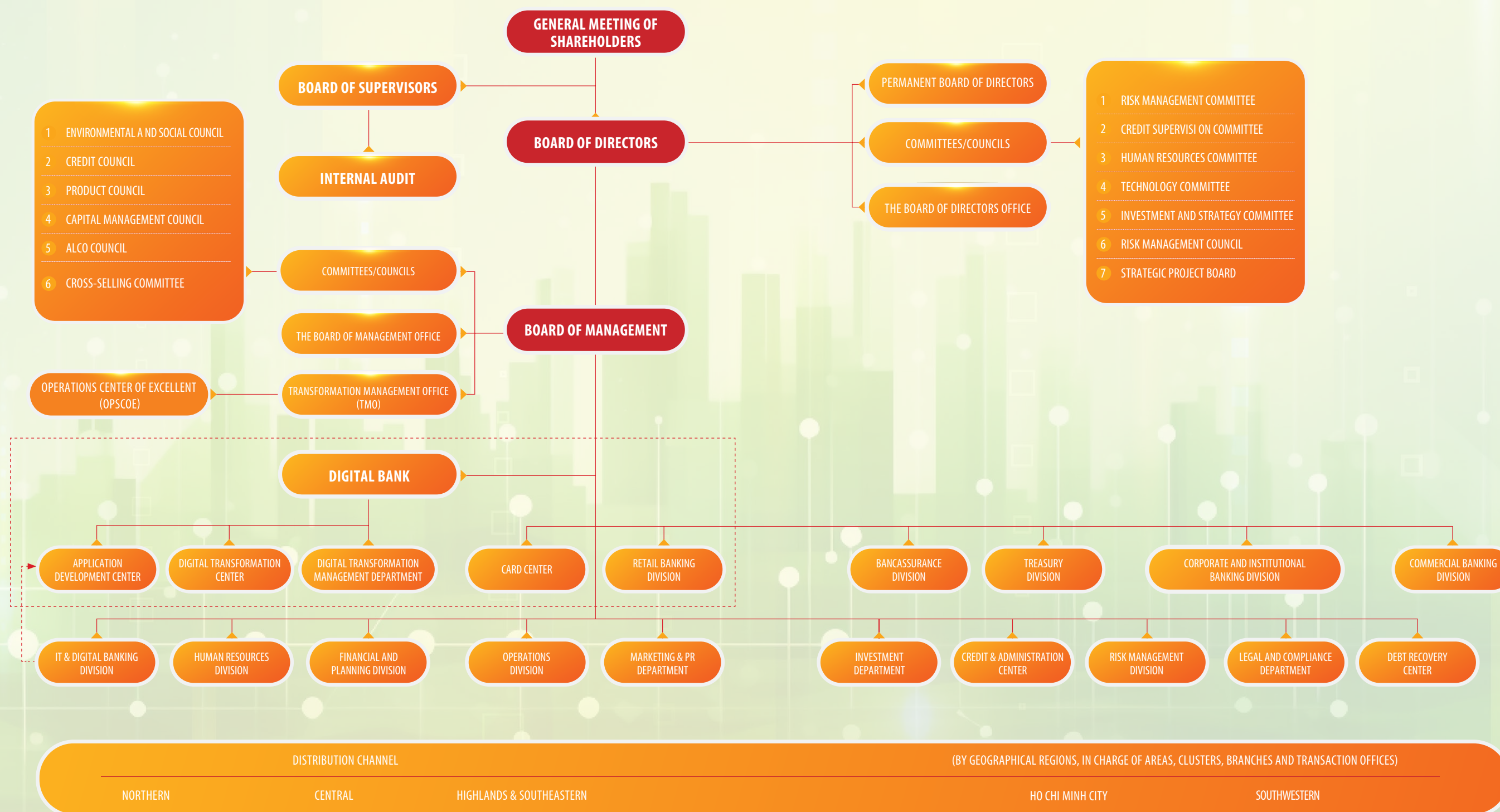
UNITED NATIONS
SUSTAINABLE
DEVELOPMENT
GOALS
(SDGS)

2. SUSTAINABLE DEVELOPMENT GOVERNANCE

2.1 OVERVIEW OF CORPORATE GOVERNANCE

[GRI 2-9] [GRI 2-11] [GRI 2-12]

HDBank's organizational structure consists of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the Chief Executive Officer as prescribed in Article 32.1 of the Law on Credit Institutions 2010 and the Law amending and supplementing some articles of the Law on Credit Institutions 2017, regarding the organizational structure of credit institutions. In this structure, the General Meeting of Shareholders holds the ultimate authority within the Bank.



A. Structure, roles and responsibilities of the Board of Directors (“BOD”)

The Board of Directors of HDBank consists of 7 members, of which 2/7 are independent BOD members and 6/7 are non-executive BOD members. They possess varied backgrounds in accordance with legal requirements. Please kindly refer to the 2023 Annual Report for details on the expertise and experience of each BOD member.

No.	Member	Experience in Finance - Banking	Experience at HDBank	Position in BOD
1	Mr. Kim Byounggho	36 years	2 years	Chairman Independent BOD member
2	Madam Nguyen Thi Phuong Thao	28 years	21 years	Permanent Vice Chairwoman
3	Mr. Nguyen Huu Dang	32 years	25 years	Vice Chairman
4	Mr. Nguyen Thanh Do	38 years	10 years	Vice Chairman
5	Mr. Luu Duc Khanh	30 years	16 years	Vice Chairman
6	Mr. Le Manh Dung	28 years	2 years	Independent BOD member
7	Mr. Pham Quoc Thanh ⁽¹⁾	31 years	11 years	BOD Member cum Chief Executive Officer

⁽¹⁾ Mr. Pham Quoc Thanh was additionally elected by the General Meeting of Shareholders as a Member of the BOD from April 26, 2023.

B. Structure, roles and responsibilities of Committees under BOD



Risk Management Committee

Chairperson of the Committee

Mr. Le Manh Dung - Independent BOD member is the Chairman of the Risk Management Committee.

Committee Members

6 members, including 1 independent BOD member and 4 BOD members

Roles and responsibilities

To advise the BOD:

- On developing, promulgating, updating changes to and implementing risk management policies in operations of the Bank in accordance with legal regulations and the Bank's Charter;
- On issues related to risk management for approval decisions;
- On providing warnings about the Bank's prudential ratios and potential risks as well as preventative measures; to advise the BOD on addressing limitations in risk management.

Human Resources Committee

Chairperson of the Committee

Mr. Nguyen Huu Dang - Vice Chairman of the BOD is the Chairman of the Human Resources Committee

Committee Members

5 members, including 1 independent BOD member and 3 BOD members

Roles and responsibilities

Advise the BOD on:

- Promulgating the Bank's internal policies and regulations on human resources (HR) under the authority of the BOD;
- Recruiting/ appointing/ reappointing senior management positions;
- Reviewing the appropriateness of current HR policies to ensure compliance with legal regulations and actual practices.

Credit Supervision Committee

Chairperson of the Committee

Madam Nguyen Thi Phuong Thao - Permanent Vice Chairwoman of the BOD is the Chairwoman of the Credit Supervision Committee

Committee Members

6 members, all of them are BOD members

Roles and responsibilities

To advise the BOD on:

- Approving credit policies;
- Approving credit extensions under the approval authority of the BOD according to regulations;
- Supervising credit approval levels under the Board of Management in approving credits granted to a customer, or a customer and related persons of such customer, with a value equal to or greater than 1% of HDBank's equity capital, or equal to or greater than 5% of HDBank's Charter Capital and/or equivalent to or greater than VND 500 billion in accordance with HDBank's current regulations.

Strategy and Investment Committee

(renamed to Environmental, Social, Governance (ESG) Committee from January 29, 2024)

Chairperson of the Committee

Mr. Kim Byounggho - Chairman, Independent BOD Member is the Chairman of the Committee

Committee Members

9 members, including the Chairman – independent BOD Member and 5 BOD members

Roles and responsibilities

To advise the BOD on:

- Orienting, supervising the development and implementation of medium/long-term strategic goals;
- Promulgating strategic policies under the authority of the BOD;
- Providing investment orientations and criteria as well as promulgating investment policies in the Bank's operations in accordance with legal regulations and the Bank's Charter.

Banking Technology Committee

Chairperson of the Committee

The Head of the Technology Committee is Mr. Kim Byounggho - Chairman, Independent BOD Member is the Chairman of the Banking Technology Committee

Committee Members

4 members, including the Chairman – independent BOD member and 1 BOD member

Roles and responsibilities

To advise the BOD on:

- Promulgating IT development policies and strategies under the authority of the BOD;
- Making decisions on the investments to adopt technological advancements to the Bank's operations.

2.2 SUSTAINABLE DEVELOPMENT GOVERNANCE MODEL

[GRI 2-9] [GRI 2-11] [GRI 2-12] [GRI 2-13]

In pursuit of sustainable values and maximum benefits for all stakeholders, HDBank has established a sustainability-oriented governance structure aiming at effective implementation of strategies, objectives and action programs on sustainable development.

A. Sustainability-oriented governance structure

Awareing the importance of a dedicated committee on ESG, on January 29, 2024, the BOD approved the establishment of the ESG Committee which replaces the Strategy and Investment Committee with broader functions. Please kindly refer to the Sustainability Governance Model in the 2023 Annual Report for detailed information.

In 2023, the Environmental and Social Council under HDBank's Board of Management was established with the major responsibility of monitoring the enforcement of policies related to the Bank's commitments to environment and society as well as assessing the environmental and social impact on the Bank's stakeholders.

B. Mechanism for communicating sustainability issues

[GRI 2-13] [GRI 2-16]

HDBank has established a Grievance Mechanism to facilitate both internal and external stakeholders to express their concerns on HDBank's Environmental and Social performance, HDBank's compliance to Environmental and Social Policy, and/or the potential impact of HDBank's lending portfolio or its vendors. The Grievance Mechanism encompasses procedures for receiving, documenting, investigating and resolving complaints. Please kindly refer to the Key Focus Area 10: Fostering diversity, equality and human rights under Pillar 3: Social for details on the grievance mechanism

C. Code of conduct in business

HDBank has issued the Code of Professional Ethics No. 16/2019/QD-HDQT, which applies to HDBank's employees at all levels. The Code establishes guidelines for interactions with customers, internal conduct within HDBank, behavior with colleagues and external parties, contributing to preserving HDBank's core values and cultivating a happy workplace.

2.3 APPOINTMENT AND SELECTION PROCESS FOR TOP LEVEL MANAGEMENT OFFICERS

[GRI 2-10]

The appointment and selection process for top Management Officers is outlined in the Charter of HDBank, clearly defining criteria and conditions to be elected as a BOD member. The list of candidates approved by the State Bank of Vietnam will be published on the Bank's website

at least 10 days before the General Shareholders' Meeting. The election, dismissal and removal of the BOD members by the General Meeting of Shareholders shall comply with the the Law on Credit Institutions and should be reported to the State Bank within 10 days from the date of approval.

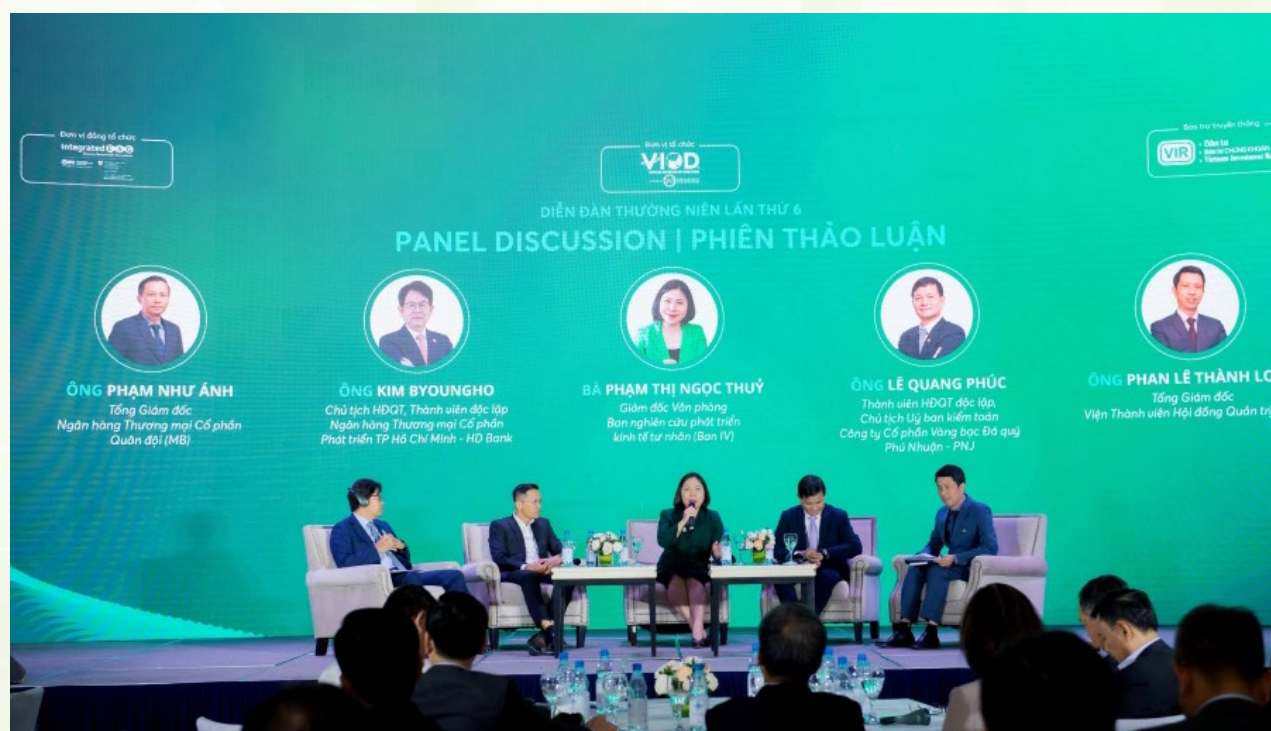
2.4 ENHANCEMENT OF MANAGEMENT CAPABILITY OF BOD MEMBERS

[GRI 2-17]

HDBank's BOD always encourages and facilitates the Bank's leaders at all levels to participate in courses, discussions related to the Bank's governance under domestic and international standards. HDBank's BOD members have participated in a number of seminars on corporate governance and have extensive experience in managing various economic organizations and credit institutions.

In 2023, BOD members, members of the Board of Supervisors, the Chief Executive Officer and other Management Officers attended:

- Training courses on Corporate Governance
- High-Level Workshop on Corporate Governance
- Directors Summit hosted by SK Group - South Korea
- 2023 Annual Forum: Unlocking Green Finance and E&S Governance, organized by the Vietnam Institute of Directors (VIOD).



Mr. Kim Byounggho - Chairman of HDBank's Board of Directors participated in the 2023 Annual Forum: Unlocking Green Finance and Green Governance, organized by the Vietnam Institute of Directors (VIOD)

2.5 PROCESS FOR EVALUATING THE PERFORMANCE OF THE BOD

[GRI 2-18]

To improve corporate governance practices for sustainable development, the BOD, as stipulated in the Bank's Charter, must submit a bank governance report to the General Meeting of Shareholders. In addition, as prescribed in the Internal Regulation on Governance of the Bank, independent BOD members are responsible for

preparing the report on assessing the BOD's operations. The performance of each BOD member and Committees under the BOD should be evaluated by the BOD Chairman and presented to the General Meeting of Shareholders at least once a year.

2.6 PROCESSES FOR FORMULATING REMUNERATION POLICIES AND DETERMINING REMUNERATION

[GRI 2-19] [GRI 2-20] [GRI 2-21]

The remuneration and allowances of HDBank's BOD are considered based on the Proposal on Remuneration, Allowances and Operating Fund approved by the General Meeting of Shareholders at the Annual General Meeting of Shareholders (AGM).

Accordingly, the total remuneration and allowances of the BOD in 2023 was up to 1% of HDBank's separate after-tax profit in 2023. Total remuneration paid to the BOD each year from 2021 to 2023 is as follows:

- 2021: 10,902
 - 2022: 8,408
 - 2023: 16,029
- (Unit: VND million)

The remuneration of each BOD member has been presented as a separate item in the Bank's annual (audited) financial statements, Annual Reports, and has been synthesized in the AGM Materials.

2.7 CONFLICT OF INTEREST

[GRI 2-15]

As prescribed in the Charter, members of the BOD, the Board of Supervisors and the Chief Executive Officer are obliged to promptly, fully and accurately inform the Bank of their external benefits and transactions that may cause conflicts of interest with the Bank. In addition, such those persons may only participate in transactions with potential conflicts of interest upon approval by the BOD. Transactions with related parties of members of the BOD, the Board of Supervisors and the Chief Executive Officer shall be transparently disclosed in the audited Consolidated Financial Statements and the Report on Corporate Governance submitted to the State Securities Commission and the Ho Chi Minh City Stock Exchange on

a semi-annual basis.

In internal audit activities at HDBank, to ensure independence, objectivity, and minimize conflicts of interest, HDBank's internal auditors are not allowed to audit units managed by their related persons, and units for which they have worked in the previous 3 years.

Additionally, for procurement, HDBank has applied a vendor selection process to ensure fair competition and avoid conflicts of interest during procurement of goods and services.

Please kindly refer to the Key Focus Area 1: Creating economic values under Pillar 1: Governance.

3. ENGAGEMENT WITH STAKEHOLDERS

[GRI 2-24] [GRI 2-29]

3.1 KEY STAKEHOLDERS

HDBank recognizes that the support and collaboration of our stakeholders are crucial for our success on the sustainable development journey. HDBank identifies our key stakeholders as those who either influence our development strategy or are directly impacted by our operations. HDBank also identifies potential concerns, chooses appropriate communication channels, and proposes a specific action plan to ensure we meet the expectations of all stakeholders.

HDBank wishes to engage with our key stakeholders, including shareholders, investors, customers, employees, regulators, media outlets, suppliers, and local communities on the upcoming journey. The needs and expectations of the stakeholders will be the driving force to help HDBank conquer new milestones, while shaping HDBank's sustainable business strategy.

	Shareholders	Customers	Employees	Regulators	Media	Vendors	Local communities
HDBank's commitment	HDBank transparently and timely provides updated information to shareholders and investors as well as actively incorporates feedbacks to improve the quality of investor relations.	HDBank proactively discusses and listens to customers' opinions in order to better understand the customers and provide financial services catered to their needs.	HDBank has developed bilateral communication channels with employees, ensuring the synchronous implementation of the Bank's development orientation across the system and promptly response to employees' questions.	HDBank commits to fully complying with applicable legislation and actively communicating with regulators regarding the enforcement of regulations.	HDBank actively engages in multichannel communication, enhancing its brand reputation among the general public, and swiftly addressing any inquiries or concerns pertaining to the Bank.	HDBank implements a sustainable procurement approach, placing emphasis on suppliers and partners that demonstrate a strong dedication to upholding sustainable standards.	HDBank always prioritizes the amplification of its significant contribution to the development of local communities by offering a wide range of financial solutions and supporting initiatives related to social security.
Interaction channel	- Annual General Meeting of Shareholders - The Investor Conference updating the Bank's Business Performance quarterly in addition to other in-person events throughout the year - Periodic investor newsletter - Official Website of HDBank - The Investor Relations Department engages in frequent communication and consultation with shareholders and investors, facilitating the sharing of thoughts and ambitions.	- HDBank's online channels include websites, social media platforms, and hotline, while the Bank's in-person options include branches and transaction offices, both are staffed with advisors and relationship managers - Workshops - Suggestions box at points of transaction	- Internal communication channels (Workplace) - Trade unions and youth unions - Training programs - Sports and cultural activities - Hotline for receiving complaints	- Participation in conferences and workshops organized by ministries and departments - Participation in meetings and in both bilateral and international collaborations - Reports seeking input and recommendations on implementation	- Press conference and interviews - Participation in forums and seminars organized by press agencies - Press release - HDBank official website and presence on official social media platforms - Phone and email	- Direct dialogue - Phone and email	- In-person conference and direct dialogue - Communication and coordination with local authorities - Press communications - Contact Center - Website and email

	Shareholders	Customers	Employees	Regulators	Media	Vendors	Local communities
Issues of concern	• Business efficiency and benefits for shareholders and investors • Transparent and prompt disclosure of information • Responsibilities of the Bank to shareholders, investors and stakeholders	• Tech-enabled financial products, and services to improve customer experience • Transparency of information in the consulting process of the Bank's financial offerings • Feedbacks on the quality of the Bank's services • Customer data confidentiality	• Conducive work environment with various perks and incentives • Career path and motivation • Training program to develop professional skills • Health and safety at the workplace • Promotion of equality and human rights • Personal data confidentiality	• Law observation • Risk management, contribution to economic stability, inflation control, creation of the driving force for sustainable economic development • Controlled environmental and social impacts • Communication regarding the regulatory enforcement	• Report on periodic business performance, short and long-term development strategies of the Bank • The Bank's key information and events	• Quality of services & products • Adherence to the obligations under agreements & commitments, including commitments pertaining to risk management, social environment, & community duty • Establishment of a secure work environment & delivery of labor health conditions	• Promotion of financial inclusion • Job opportunities for the local • Local economic and community development programs
HDBank's actions to address the concerns of stakeholders	• Consistently achieving a return on equity (ROE) of above 20% since its initial public offering (IPO); • Initiating a 25% dividend distribution policy, with 10% of cash and 15% of stock dividend • Organizing the Annual General Meeting of Shareholders and online solicitation of shareholders' written opinions with a high approval rate. • Complying in its entirety with information disclosure obligations as required by law. • Arranging a sequence of quarterly investor association events, both online and in-person, and active engagement in investor-oriented activities	• Enhancing customer experience by adopting fast, safe and modern technology • Providing a wide range of dynamic financial solutions to support both enterprises and individuals, facilitating prompt access to funds at the most cost-effective price. Launching customized product packages to assist both individual and corporate clients, providing support to businesses during challenging economic periods • Continuously implementing service quality surveys • Ensuring security and privacy of consumer data • Launching a periodic and irregular training and control system for customer consultation of the Bank's products and services	• Training and socializing anti-discrimination regulations and grievance mechanisms for reception and resolution of complaints • Improving the compensation system and social insurance policies for employees. • Adopting technology in the management and assessment of human resources • Organizing training courses, competitions to inspire employees' engagement and upskilling. • Implementing surveys to gather perspectives on job duties, training programs, employee perks, and the overall working environment. • Implementing a variety of recruiting initiatives to acquire highly skilled talents to join the workforce • Delivering talent retention initiatives (such as ESOP and senior management training program, etc.) • Ensuring security and privacy of information	• Strictly observing regulations in all aspects of operations. • Pioneering in the implementation of Green Credit, high-tech agricultural credit, rural regions, renewable energy, and assistance for small and medium-sized enterprises and households policies set out by the Government and State Bank • Selected to undertake mandatory acquisition of under-performing banks • HDBank has been recognized for the fifth consecutive year by the People's Committee of Ho Chi Minh City as an enterprise with exceptional accomplishments in tax payment and contribution to the state budget.	• Providing transparent and timely information to the public • Communicating regularly and periodically about the Bank's notable programs and events • Swiftly addressing of inquiries or concerns pertaining to the Bank	• Respecting and fulfilling all responsibilities and commitments • Raising awareness of corporate governance and environmental impact of vendors and partners • Prioritizing suppliers and partners embracing sustainable social and environmental values	• Directly contributing to the development of sustainable local economies and the generation of employment opportunities for the community • Actively engaging in the maintenance and promotion of community assistance initiatives that prioritize education, healthcare, and social housing. • Annually organizing and sponsoring social and community events aimed at enhancing community knowledge, health, and cultural well-being.

3.2 STAKEHOLDER COMMENTS ON HDBANK'S SUSTAINABLE DEVELOPMENT EFFORTS



SHAREHOLDERS AND INVESTORS

PYN ELITE FUND

We are proud to be a shareholder of HDBank since its official IPO in 2017. Since then, we have enjoyed a highly satisfactory collaborative relationship with HDBank. HDBank has demonstrated its unwavering commitment to executing its set strategy, resulting in remarkable business growth as envisioned in its annual development plans and long-term directions. HDBank has also adopted a prudent and meticulous approach to growth, thereby effectively controlling risks and safeguarding

shareholder rights regardless of economic downturns. HDBank's shareholder relation staff is highly proactive and always updates timely, provides transparent and detailed reports, organizes regular face-to-face meetings, and promptly responds to investor inquiries. Their professionalism and enthusiasm have fostered a relationship that goes beyond mere professional ties, instead further developing into that of cherished allies.

LEAPFROG INVESTMENTS

HDBank stands as a listed bank among Vietnam's top performers in retail and commercial banking services, as evidenced by its strong business track record with return on equity (ROE) and credit growth consistently exceeding 20%. HDBank boasts a customer base of 17 million, focusing primarily on low-income individual customers and Micro, Small, and Medium Enterprises (MSMEs), which closely aligns with LeapFrog's objective of promoting financial inclusion. LeapFrog's investment in HDBank has enhanced the bank's capital capacity, promoted its credit programs for individual customers and MSMEs, and prioritized support for women-owned and women-led businesses. Throughout this investment and partnership journey, HDBank has consistently demonstrated its cooperation and joint efforts in promoting value-creation initiatives.

HDBank's strategic focus and commitment to the underserved segments, particularly low-income individual customers and MSMEs, resonate deeply with LeapFrog's mission. LeapFrog and

HDBank are engaging in discussion and research to implement products that promote financial inclusion, including insurance, by leveraging the bank's digital ecosystem and strategic partnerships.

LeapFrog is also supporting HDBank in the adoption of good environmental, social, and governance (ESG) practices. This support not only ensures the bank's compliance with ESG policies and best practices but also contributes to enhancing the sustainability of businesses within LeapFrog's investment portfolio. HDBank's participation in LeapFrog's first Task Force on Climate-related Financial Disclosures (TCFD) report, scheduled for release this year, holds great significance in enabling LeapFrog to assess climate change risks and opportunities within its investment portfolio. To put it simply, the partnership between LeapFrog Investments and HDBank has yielded positive results. We hope that this partnership will continue to flourish and create meaningful contributions and promote sustainable growth.



REGULATORS

MR. TRAN DINH CUONG – DEPUTY DIRECTOR – HO CHI MINH CITY BRANCH OF THE STATE BANK OF VIETNAM DURING HIS SPEECH AT THE 2023 ANNUAL GENERAL MEETING:

The State Bank of Vietnam – Ho Chi Minh City Branch acknowledges and commends the collective efforts of HDBank's Board of Directors, Supervisory Board, Board of Management, and all employees in achieving positive results and growth in total treasury and funding while maintaining strong credit quality and an exceptionally low non-performing loan ratio

within the region. HDBank's sustainable development strategy is highly regarded for its focus on linking credit growth to safe and effective credit restructuring, rigorous credit quality control measures, and strict implementation of and adherence to Basel II safety standards.



CUSTOMERS

MR. VO MANH CUONG - INDIVIDUAL CUSTOMER - COLLABORATOR OF HDBANK DONG THAP

After learning about the HDBank Rural application in the offline rural agriculture workshop in Dong Thap, I was introduced to the application by HDBank staff and experienced it by myself. I am deeply impressed by HDBank's swift development of such an accessible form of digital platform, particularly designed to benefit individuals in rural areas. This application can provide users with an additional source of income. What truly amazes me is the ability to track the status of referred customers and

monitor the income made through the application. Now, I can identify and introduce new customers to HDBank anytime and anywhere. The application is also extremely helpful in providing consultations to farmers to facilitate access to affordable loans and banking offerings, thus progressively creating more opportunities for development and improved living standards for farmers across the nation."



EMPLOYEES

MR. NGUYEN VAN MANH, MANAGER OF NGUYEN DUY TRINH TRANSACTION OFFICE

I believe that HDBank offers stable employee welfare and social insurance programs. The bank's overall salary, bonuses, welfare, and talent retention policies maintain a competitive edge within the market while promoting sustainable human resource management practices. In 2023, the implementation of an online system for KPI evaluation has significantly facilitated the process of performance assessment for managers, resulting in increased transparency and effectiveness in employee recognition and

reminders at monthly, bi-annual, and annual intervals. Among the training programs offered by the Human Resource Division last year, the "Next Leaders" program for key personnel stands out as a key highlight. The knowledge and training content provided by the Executive Board equips participants with the ability to apply their knowledge in practice and enable direct communication with the bank's leaders, thereby fostering a sense of belonging and driving long-term contributions.

MS. NGUYEN THI QUYNH, SUPERVISOR AT DO LUONG TRANSACTION OFFICE

I find HDBank's working environment to be highly dynamic and motivating for employee growth. HDBank has an exceptional welfare policy with salaries and bonuses that align with employee job responsibilities and offers additional bonuses for holidays and anniversaries. It is noteworthy that HDBank also implements support policies that are dedicated to female employees, including annual allowances for ao dai and makeup. Throughout

my employment and performance evaluations, I have never encountered any instances of discrimination. These evaluations are conducted with impartiality and fairness by the head of the unit based on individual work results. I have also been given the opportunity to participate in all of the training programs that enable capacity building and timely communication of the bank's latest policies.



MEDIA

MS. NGUYEN THI MAI TRAM - DEPUTY HEAD OF THE INVESTMENT AND FINANCE EDITORIAL OFFICE - SAI GON GIAI PHONG NEWS

"The Investment and Finance Newspaper - Sai Gon Giai Phong News, acknowledges HDBank's communication efforts in providing comprehensive, timely, and transparent information about its activities and events to customers, shareholders, and partners, introducing optimal financial solutions to the public. HDBank also actively communicates its extensive and regular nationwide social security activities, thereby promoting positive values within the community.

Given our strong cooperative relationship and mutual goodwill, Sai Gon Investment and Finance Newspaper - Sai Gon Giai Phong News and HDBank will continue to collaborate in communicating new products and services while delivering new and positive economic values for millions of Vietnamese citizens and fostering a brighter future for all."



VENDORS

DHL

DHL Express VN, a leading global express delivery service provider, is highly committed to sustainable development with the goal of achieving Net Zero emissions by 2050 through a well-defined strategy. Throughout our collaborative relationship with HDBank, DHL Express VN holds HDBank in regard for its steadfast adherence to

the terms and obligations outlined in the mutually executed contract. HDBank has also consistently demonstrated its focus on selecting suppliers that have sustainable development policies in place, as evidenced by its recent decision to opt for the GoGreen Plus service to reduce CO2 emissions.

SPEED LIGHT/SPEED UP

We hold HDBank in high regard for its professionalism throughout our working and collaborative relationship. The bank has consistently provided well-defined plans, clear information, and diligently fulfills its responsibilities and obligations as outlined within the mutually executed Contract. HDBank's professionalism and support have been evident throughout our partnership. By facilitating access to the management and operational practices of Vietnam's leading financial institutions through various communication channels, HDBank has enabled us to enhance our understanding of the significance of structuring our business towards better professional management, sustainable development and risk management practices, which allow us to minimize and address weaknesses while optimizing our competitive edge to achieve optimal

efficiency. As a delivery service provider, we firmly support HDBank's sustainable development policies. We recognize that "green and sustainable" development for environmental protection and social advancement is a shared responsibility of all businesses towards the community and society. We will continuously strive to not only improve our operation and management practices to create services that align with the highest standards of "green and sustainable" development but also fulfill other quality improvement requirements. This will contribute to our continued collaboration with HDBank in sustainable development, while also better fulfilling our own roles and responsibilities in sustainable development alongside customers, partners, and the community.



LOCAL COMMUNITIES

MR. DINH TIEN HAI - DIRECTOR OF NATIONAL FUND FOR VIETNAMESE CHILDREN

"The National Fund for Vietnamese Children" was established with the objective of mobilizing voluntary contributions from domestic and international agencies, organizations, and individuals to support children facing special and challenging circumstances throughout the country. As of December 31, 2023, the Fund has supported 106,200 children in need.

HDBank stands as one of the organizations that has consistently supported the Fund for many years. Its financial resources have been utilized by the Fund to deliver timely support, including medical examinations and screenings, scholarship programs, clean water infrastructure, etc., to children in need across the nation. These activities contribute to improved conditions for these children's comprehensive development and full realization of children's rights.

MR. TRAN THANH LONG, CHAIRMAN OF THE SPONSORING ASSOCIATION FOR POOR PATIENTS HCMC

Since 2007, HDBank's contributions to the Sponsoring Association for Poor Patients have amounted to over VND 14.5 billion, including eye surgeries for economically disadvantaged patients, scholarships to academically-motivated students facing financial hardship, health insurance coverage, and constructing charity houses for near-poor and disadvantaged families. The Association extends its deepest gratitude to HDBank's leadership for

their kindness and noble actions. These impactful contributions have directly resulted in over 10,000 eye surgeries, 20,000 health insurance coverages, scholarships, and hundreds of charity houses, which has progressively empowered individuals across the country to improve their living conditions, overcome challenges, reduce poverty, and alleviate social disadvantage.

4. MATERIAL TOPIC 4

[GRI 2-25] [GRI 3-1] [GRI 3-2]

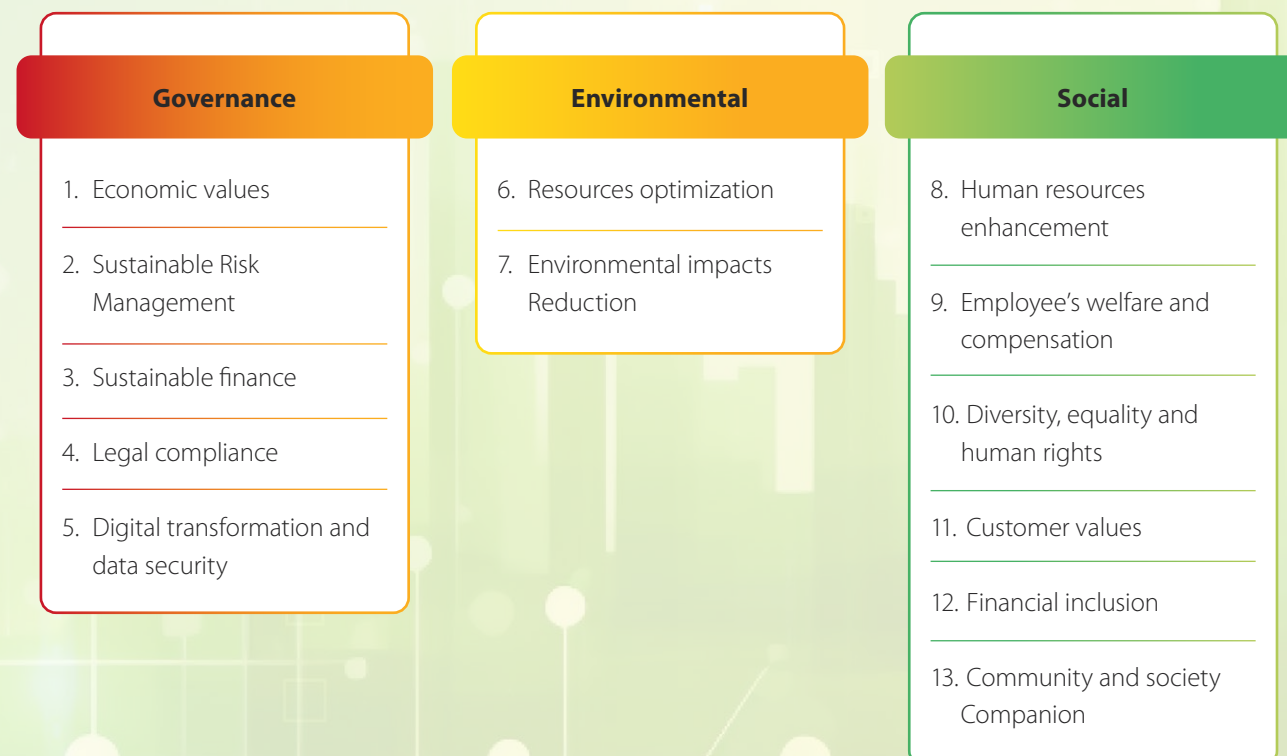
4.1 MATERIALITY ASSESSMENT PROCESS

Material topics are those that have a significant impact on HDBank's operations and sustainable development, while reflecting the Bank's ability to create sustainable value for its stakeholders.

To identify material topics, the Bank begins by understanding its internal and external context (economic, social, geopolitical, etc.). Additionally, HDBank also collects and analyzes issues of concern to stakeholders regarding the Bank's operations. With the information gathered, the Bank's internal expert team considers and filters out a list of important topics. This process helps HDBank identify 13 material topics, revolving around the 3 pillars of Governance, Environment, and Social.

Each topic is then evaluated by the Bank in correlation between the level of impact on the Bank, and the level of interest and impact on the decision-making of stakeholders to rank these topics through a materiality matrix.

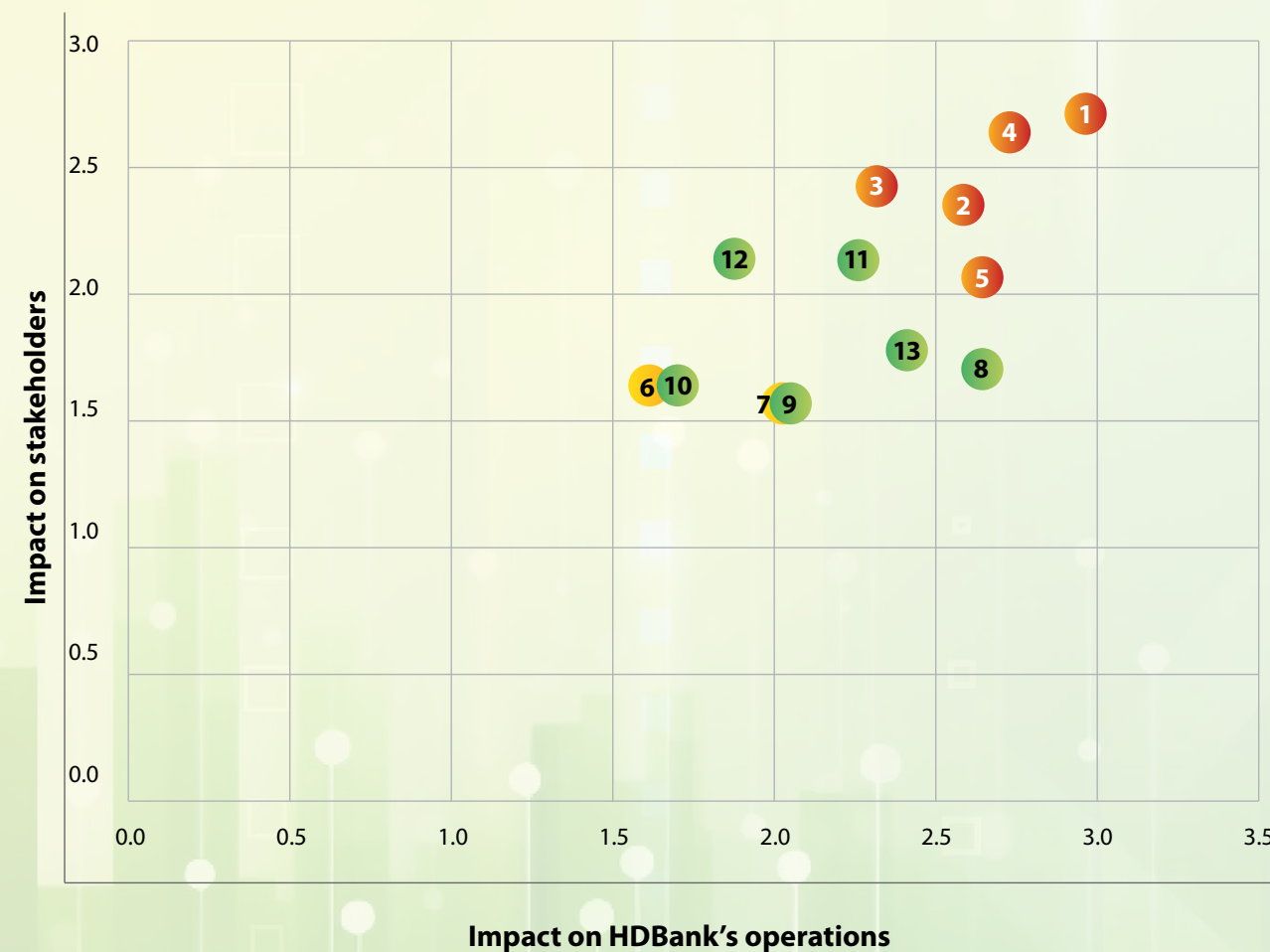
The list of material topics will be reviewed periodically by HDBank annually to ensure that the content and impact of each topic are in line with the general context as well as the practice of sustainable business at the Bank and meet the concerns of stakeholders.



4.2 THE MATERIALITY MATRIX

The materiality matrix helps HDBank focus and allocate resources rationally, supporting the Board of Directors and the Bank's Board of Management in directing, monitoring, and managing business operations, aiming to create sustainable value and commit to the highest benefits for stakeholders. For reporting on sustainable development practices, identifying and ranking material topics allows HDBank to disclose appropriate information, promptly responding to the concerns of stakeholders.

Below is the materiality matrix that has been evaluated by the Bank for 2023:



5. FULLY INTEGRATE 17 SDGS THROUGHOUT KEY TOPIC MANAGEMENT

[GRI 3-3]

Pillar	Key topic	Direction	Outstanding results in 2023	Aligned with the Sustainable Development Goals (SDGs) of the United Nations
Governance	1. Economic values	- Set goals to maintain an average growth rate of over 25% per year, guarantee safe and sustainable operations, and accomplish the 2021-2025 5-year plan. - Strive to become one of the most profitable banks by 2025. - Align strategic development directions with agriculture, rural development, secondary urban markets, small and medium-sized enterprises (SMEs), households, value chain financing, and digital transformation. - Commit to deliver optimal values to shareholders, customers, employees, community, and local economy, while positively contributing to the State Budget through sustainable business practices.	- The profit before tax reached VND 13,017 billion, the highest record in HDBank's history, which aligned with the plan set by the General Meeting of Shareholders. - The return on equity (ROE) reached 24.2%, placing HDBank among market leaders. - The rate of dividends in cash and shares received by HDBank shareholders reached 25%. - HDBank was honored by the Ho Chi Minh City People's Committee as one of the fastest-growing enterprises and largest contributors to the State Budget.	08 Decent work and economic growth 12 Responsible consumption and production 09 Industry, innovation and infrastructure 17 Partnerships for the goals
	2. Sustainable Risk Management	- View risk management for sustainable development as an inseparable activity of daily business and operations. Effectively manage environmental - social - governance (ESG) risks, thereby enabling leadership's decision making to seize opportunities from sustainable development transformations on a global scale. - Continuously strengthen and refine the existing policy framework and risk management processes, ensure alignment with evolving legal requirements and refer to global good practices in the banking sector. - Ensure all employees are well informed and aware of the importance of and how they can contribute to sustainable development risk management. - Embrace technology-driven approaches to monitor, facilitate early forecast and promptly alert all risks, including environmental and social risks.	- The capital adequacy ratio (CAR) (according to Basel II standards) was 12.6%. - Complete the operational risk management framework upgrade project. - Complete and officially implement Policy on Environmentak and Social Risk Management in credit extension (ESMS) applies to commercial customers. - Start classifying the Environmental and Social risk levels and provide recommendations in accordance with the Policy on Environmentak and Social Risk Management in credit extension (ESMS) from September 2023. - One of the pioneering banks in Vietnam in terms of implementing a comprehensive upgrade from Basel II to Basel III Reforms in all indicators and complying with the strict requirements set by the Basel Committee on Banking Supervision (BCBS) (Bank for International Settlement – BIS), which has been recommended for implementation in international banks from 2023.	06 Clean water and sanitation 13 Climate action 11 Sustainable cities and communities 14 Life below water 12 Responsible consumption and production 15 Life on land

Pillar	Key topic	Direction	Outstanding results in 2023	Aligned with the Sustainable Development Goals (SDGs) of the United Nations
Governance	3. Sustainable finance	- Drive innovation and improvement in policies as well as activities to achieve Green Banking. - Refrain from funding sectors that have negative environmental and social impacts. - Promote preferential financial products to businesses, supply chain financing, and sustainable development projects.	- Best Bank for Sustainable Finance - The Asset Magazine. - Won the Outstanding Financial - Banking Products & Services Award 2023 (IDG 2023): Outstanding Bank for Green Credit, Bank accompanying SMEs. - Over USD 170 million of green capital funded as of 2023 - Over VND 8.7 trillion of green credit disbursed for business and production initiatives aimed at safeguarding the environment and addressing climate change in 2021, 2022 and 2023.	01 No poverty 08 Decent work and economic growth 02 Zero hunger 10 Reduced inequalities 04 Quality education 11 Sustainable cities and communities 07 Affordable and clean energy 13 Climate action
	4. Legal compliance	- Sustain results without major concerns addressed by the regulators in committing to strict implementation and compliance with legal regulations related to financial crime prevention, and environmental and social protection. - Ensure transparency in information and timely provide necessary reports to customers, partners and stakeholders. - Establish a team of knowledgeable, self-aware, and skilled employees to proactively prevent, identify and combat misconduct.	- The Bank maintains a clean record of compliance with laws against financial crime and environmental and social protection, which is reflected by the absence of sanctions and financial losses associated with relevant lawsuits. 100% of employees, including management levels, have completed the anti-corruption course. 97.5% of corruption-related activities were assessed across all risk-assessed activities.	16 Peace, justice, and strong institutions
	5. Digital transformation and data security	- Strive to become a Happy Digital Bank, pioneer the application of modern technologies and develop multifunctional digital banking products and services deliver practical value to the society and are well-received by the market. - Promote digital transformation across all operating areas to prepare HDBank for a strong integration in the digital age; switch from the multi-channel to omnichannel business model on online platforms, with a particular focus on strengthening the retail banking segment. Complete digitization of customer journeys in accordance with HDBank's digital transformation strategy. - Ensure full and effective implementation of the highest standards for system safety, information security, and privacy protection of individuals and organizations that engage in transactions at HDBank in accordance with the laws of HDBank and international practices.	- The number of new customers registering on digital channels in 2023 increased by 125% YOY, bringing the total number of customers using digital channels to over 2 million customers. For the first time, digital channels account for the majority of new customer acquisition, exceeding the number of customers acquired via traditional channels. - The number of financial transactions on digital channels increased by 132% YOY. The number of customers engaging in transactions on the e-banking channel increased by 86% compared to 2022. The number of customer transactions on digital channels accounts for 93% of the total number of customer transactions at HDBank by the end of 2023. - Officially launch the Happy Digital Sales sales management system. 3 Digital Transformation awards of the Global Brands Magazine and Vietnam Wealth Advisor Summit 2023 (VWAS 2023). "Digital Innovation" award from the ASEAN Business Advisory Council. - The first Vietnamese bank to be awarded ISO 20000 international certification by the British Standards Institute - BSI.	09 Industry, innovation and infrastructure 17 Partnerships for the goals 16 Peace, justice, and strong institutions

Pillar	Key topic	Direction	Outstanding results in 2023	Aligned with the Sustainable Development Goals (SDGs) of the United Nations
Environmental	1. Resources optimization	- Save and optimize the use of resources. - Promote investment in technology and innovation through embracing digital transformation to minimize the need to use resources, thereby limiting negative environmental impacts.	- Energy intensity per employee in 2023 was 1.3 Gigajoules/person. - Paper consumption rate per employee decreases by 8.6% compared to 2022.	06 Clean water and sanitation 12 Responsible consumption and production 07 Affordable and clean energy 15 Life on land
	2. Environmental impacts Reduction	- Minimize greenhouse gas emissions and environmental impacts, transitioning to renewable resources - Effectively manage bank-wide emissions.	- Greenhouse gas emission intensity per employee is 579.2 kg CO2 equivalent/person. - Plastic consumption per profit before tax decreases by 12.4% compared to 2022. - Ink consumption and environmental waste per employee decreases by 7% compared to 2022.	06 Clean water and sanitation 13 Climate action
Social	1. Human resources enhancement	- Focus on talent attraction and acquisition, as well as training and upskilling of human resources, to promptly meet current and future business needs. - Foster a professional work environment and provide opportunities for employees to enhance their knowledge and skills, thereby building a team of talented and creative high performers.	- Top 1 Employer for employee satisfaction in the market according to surveys conducted by CareerBuilder and InsightAsia - Digital Transformation Awards 2023 awarded by HR Asia Magazine for the successful application of information technology in human resources activities - Build corporate culture through workshops "Building a high-performance culture" nationwide and establish a set of HDBank corporate culture standards - The total expenses for staff training activities increased by 249.4% compared to 2022 - The number of training hours in 2023 increases by 250,672 hours, equivalent to 152.7% compared to 2022 99.6% of employees received performance ratings of "Meeting Expectations" or above in 2023.	04 Quality education 08 Decent work and economic growth
	2. Employee's welfare and compensation	- Continue to implement salary and bonus increases and attractive incentive programs to maintain and improve the bank's understanding of its employees. - Continue to implement effective management and mitigate occupational safety and health risks for employees.	- Best Companies To Work For In Asia 2023 (HR Asia) (winner for 6 consecutive years). - No personnel experienced work-related accidents or injuries. - Issue 20 million shares under the employee stock ownership plan (ESOP) for managers.	03 Good health and well-being 08 Decent work and economic growth

Pillar	Key topic	Direction	Outstanding results in 2023	Aligned with the Sustainable Development Goals (SDGs) of the United Nations
Social	3. Diversity, equality and human rights	- Ensure respect for human rights, foster equality and diversity within the workforce, and maintain and grow the number and proportion of female employees. - Strengthen the engagement between the HDBank's leadership and employees.	"Gender Equality Star" in the TOP 50 Corporate Sustainability Awards 2023 (CSA 50) by Nhip Cau Dau Tu Magazine. - Outstanding Sustainable Enterprises in Vietnam 2023 - "Gender Equality" Category (CSA50). - On December 31, 2023, the proportion of female employees accounted for more than 55% of the total number of employees. - In 2023, 83.5% of employees expressed satisfaction with the work environment, welfare programs, and training and development policies at HDBank	05 Gender equality 10 Reduced inequalities 08 Decent work and economic growth
	4. Customer values	- Enhance customer experience through digital transformation, product diversity, and customer care. - Minimize incidents of consulting and providing inaccurate information or violating customer data security, including breaches and mishandling of customer information.	- Best Retail Bank Vietnam 2023 (International Business Magazine). - Award for the Most Innovative Digital Banking Provider in Vietnam in 2023 (The Global Economics). - The average customer satisfaction score across 3 survey channels (over the counter, traditional communications channels and online application) was 4.86/5. - Net Promoter Score (NPS), showing the likelihood that customers would recommend a product or a service of HDBank to others, is 89%. - There have been no incidents/complaints about breaches of customer data security, or leakages or losses of customer data.	08 Decent work and economic growth 09 Industry, innovation and infrastructure
	5. Financial inclusion	- Continue to reinforce strategies, policies and actions to enhance accessibility to financial services for individual customers and micro, small and medium-sized enterprises (MSMEs), especially women-owned businesses. - Proactively reach out to individuals and businesses in rural and remote areas, and workers and employees in industrial and export processing zones.	- Launch HDBank Rural application to provide financial solutions dedicated to customers in rural areas - The total number of new customers in rural and remote areas reached nearly 550,000 customers, representing an YOY increase. - Disburse nearly VND 8 trillion from the VND 10 trillion loan package allocated to workers and employees in industrial and export processing zones. - Disburse nearly VND 3.4 trillion for the program supporting women-owned businesses in 2023 - More than 52% of the total loan portfolio was directed to customers in secondary urban areas and rural areas.	01 No poverty 02 Zero hunger 08 Decent work and economic growth
	6. Community and society Companion	- Commit to fostering community and social development through three key areas: Transportation, education, and healthcare infrastructure. - Engage in community activities across the country, from urban to rural areas, with a focus on mountainous and remote regions, as well as ethnic minorities and disadvantaged groups. - Ensure to leave a lasting positive impact on the environment for future generations.	- Receive various certificates of merit and awards from prestigious domestic and international organizations, recognizing achievements and contributions to the community and society. - Honored to receive the Second-class Labor Order twice and the Third-class Labor Order four times, along with the Emulation Flag of the State Bank and the Government in the period 2017 - 2023. "Best bank for CSR Vietnam" award (Asiamoney) - Direct over VND 46 billion towards charitable causes, social activities, and programs for the local community.	01 No poverty 04 Quality education 02 Zero hunger 03 Good health and well-being 08 Decent work and economic growth

SHAPING THE FUTURE



03 Sustainable development content

- 58 Pillar 1: Governance
- 104 Pillar 2: Environmental
- 118 Pillar 3: Social



A. PILLAR 01

GOVERNANCE

1. MATERIAL TOPIC 1:

ECONOMIC VALUES

1.1 GOVERNANCE PERSPECTIVE

Throughout its operations, HDBank has embraced sustainable development as a core value, seamlessly integrating it into growth targets, business decision-making, and the delivery of products and services.

HDBank prioritizes the development of the agriculture-rural sector, drives comprehensive digital transformation, and focuses on the SME segment. Concurrently, the Bank maintains a balance between profit and risk to ensure operational safety and create sustainable economic value.

Along with its focus on business development, HDBank remains steadfast in its commitment to fulfilling its responsibilities to the State. The Bank prioritizes creating value for all stakeholders, integrating social responsibility into its core business activities, and adhering to sustainable procurement practices. These efforts collectively contribute to the overall economic growth of Vietnam.

With a solid foundation and achievements in sustainable development over the years, HDBank continuously strives to surpass its limits and achieve new milestones under the guidance of **“Sustainable Development, Pioneering Spirit”**.

1.2 OBJECTIVES AND DIRECTION

- HDBank aims to maintain an average annual growth rate exceeding 25%, ensuring sound and sustainable operations while achieving its 5-year strategic plan for 2021-2025.
- HDBank aspires to be one of the most profitable banks by 2025.
- HDBank's strategic priorities include agriculture, rural development, secondary urban markets, small and medium-sized enterprises (SMEs), household economic empowerment, value chain financing, and digital transformation.
- HDBank is dedicated to maximizing value for shareholders, customers, employees, communities, and the local economy, while making substantial contributions to the State Budget through responsible and sustainable business practices.

1.3 STRATEGIC ACHIEVEMENTS

In 2023, the profit before tax reached an all-time high of

VND 13,017 billion,

aligned with the targets set by the General Meeting of Shareholders.

HDBank shareholders received a

25% dividend payout for 2023,

consisting of 10% in cash and 15% in stock.

The Return on Equity (ROE) achieved

24.2%,

placing the Bank among the market leaders.

HDBank was honored by the Ho Chi Minh City People's Committee as one of the fastest-growing enterprises and the largest contributors to the State Budget in 2023.

1.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Enhancing direct economic efficiency

[GRI 201-1, GRI 201-3, GRI 201-4]

In 2023, the Banking sector faced numerous challenges and unforeseen fluctuations. Globally, political complexities and international conflicts added to the uncertainty. The prolonged aftermath of the COVID-19 pandemic, characterized by high inflation rates, interest rate hikes in some countries, and a downturn in international trade and investment. Concurrently, climate change and natural disasters continued to escalate, causing severe repercussions.

In Vietnam, banks grappled with increasing non-performing loans due to the stagnation of the real estate market and a decline in business activities that adversely

affected workers' incomes. Additionally, the decline in trade led to reduced demand for investment and loans, while the bond and stock markets remained lackluster, impacting banks' capital mobilization efforts.

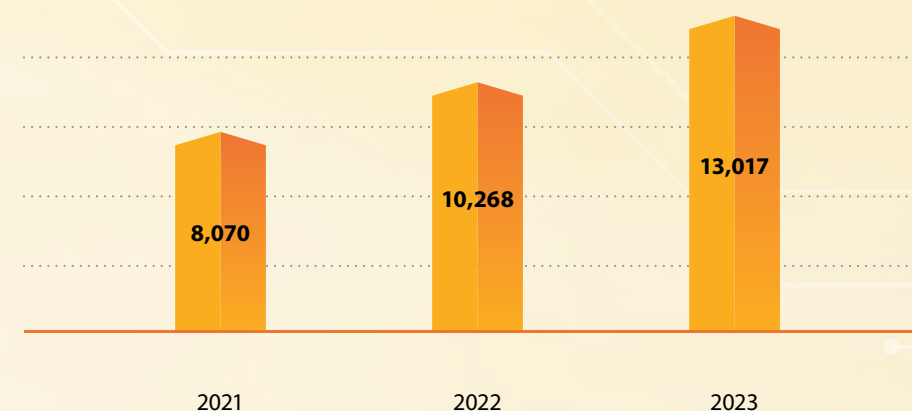
Focusing on the rural and agricultural sector, SME and retail segments, implementing sustainable development strategies and applying the best international practices in banking governance, HDBank has achieved a decade of continuous growth and outstanding business performance in line with the objectives set by the General Meeting of Shareholders.

✦ HDBank's impressive growth amidst market fluctuations

Profit before tax

Unit: billion VND

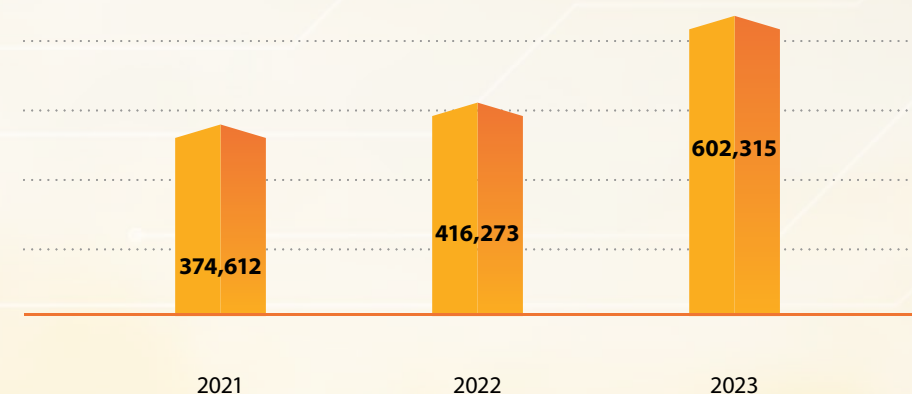
With consolidated profit before tax reaching VND 13,017 billion, an increase of 26.8% year-over-year, HDBank achieved a remarkable decade of continuous growth, with a compound annual growth rate (CAGR) of 36.4% from 2013 to 2023. This performance places HDBank among the top banks in the industry for profit growth.



Total Assets

Unit: billion VND

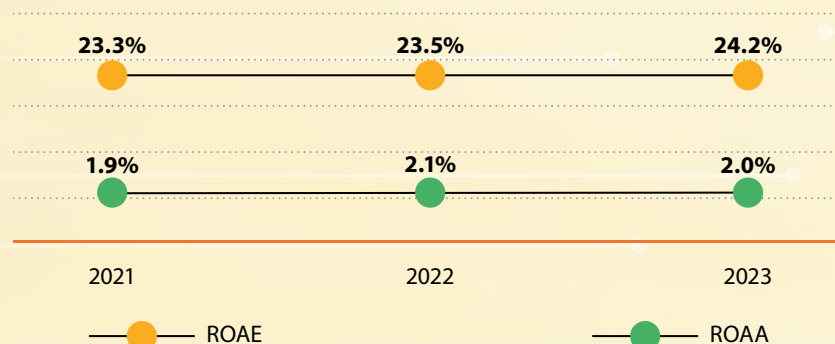
HDBank's total assets soared to VND 602,315 billion, marking an increase of nearly 45% year-over-year and a tenfold expansion over the past decade. HDBank recorded a compound annual growth rate (CAGR) of 24.8% from 2013 to 2023, positioning it among the fastest-growing banks in the industry.



High and sustainable profitability ratios

Unit: %

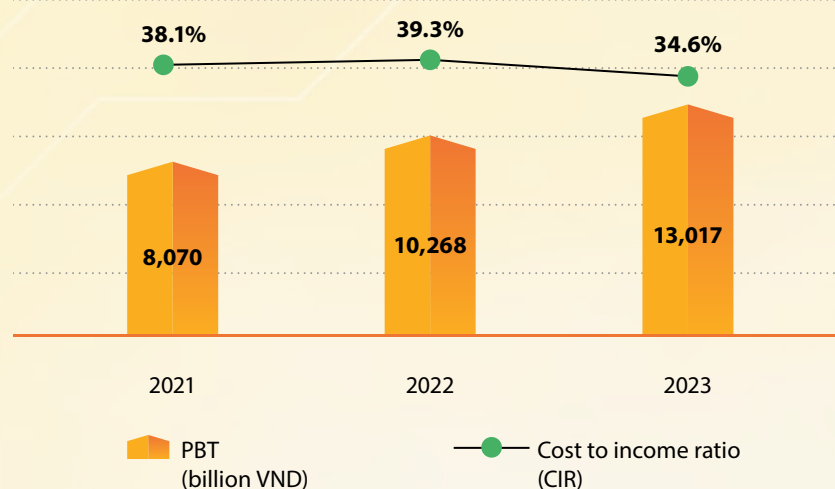
In 2023, the Bank boasted a return on assets (ROA) of 2.03% and return on equity (ROE) of 24.2%, placing it among the leading commercial banks in Vietnam.



Cost to income ratio (CIR)

Unit: billion VND and %

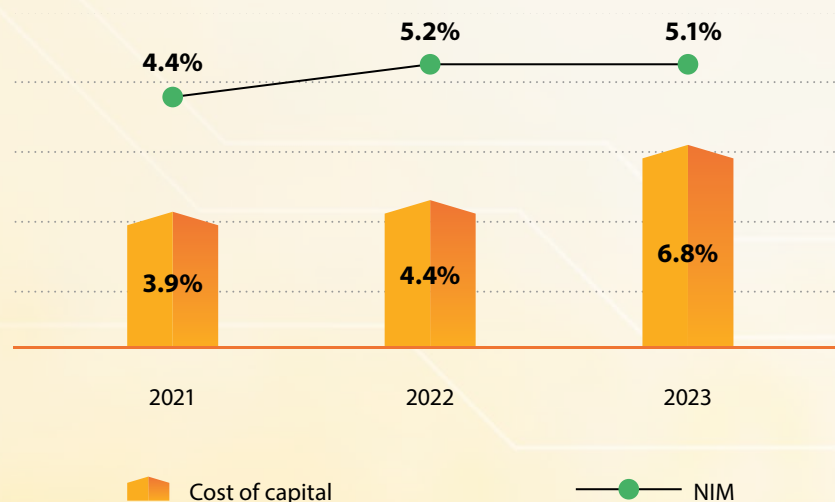
The CIR in 2023 dropped significantly to 34.6% year-over-year as a result of digital transformation leading to higher workforce productivity. Operating costs have been optimized and consistently controlled within predefined limits. Additionally, the YoY revenue growth outpaced the overheads growth (20.2% vs. 5.8%), contributing to a substantial improvement in CIR.



Net interest margin (NIM)

Unit: %

In 2023, NIM was maintained at 5%, exceeding the industry average.



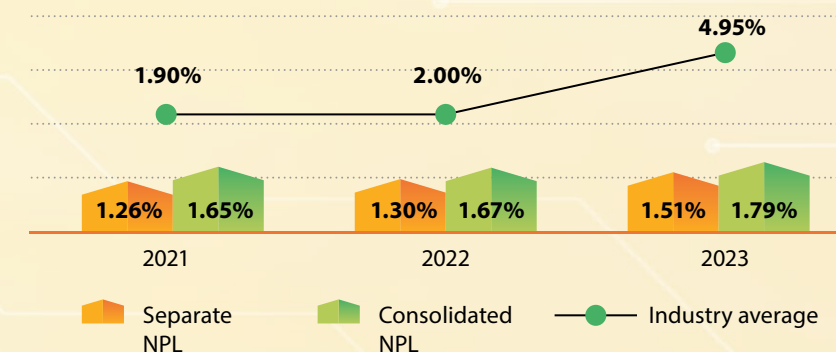
Balancing profit maximization and risk management to create a business advantage

Alongside achieving record-high profit and asset growth over the past decade, HDBank also surpassed the State Bank's regulations for liquidity and operational safety.

Separate and consolidated NPL ratio

Unit: %

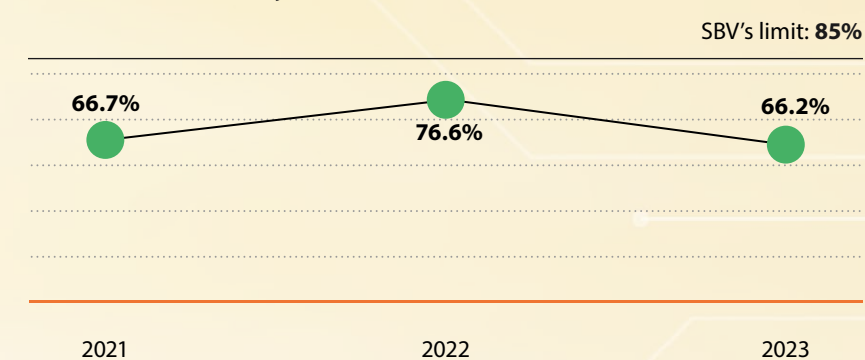
Amidst a surge in NPLs across the Banking sector, HDBank's separate and consolidated NPL ratios in 2023 were only 1.51% and 1.79% respectively, ranking among the best in the industry. HDBank's stringent control over non-performing loan paved the way for steady future growth.



Separate loan to deposit ratio (LDR) as defined by the State Bank

Unit: %

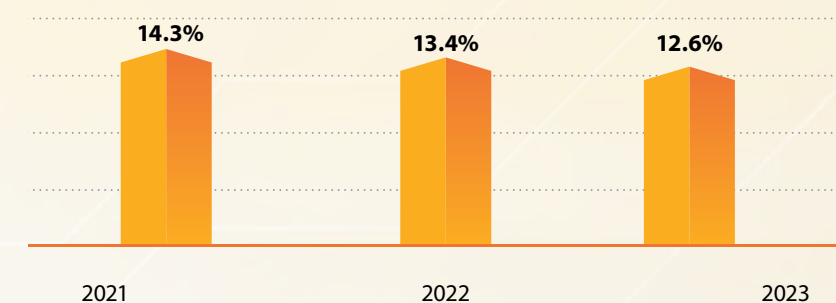
With an LDR ratio in 2023 of 66.2%, HDBank stayed well below the State Bank's limit of 85%. Effective liquidity management has secured the Bank's long-term viability, facilitated growth and equipped the Bank in its investment and lending decisions.



Capital adequacy ratio (CAR)

Unit: %

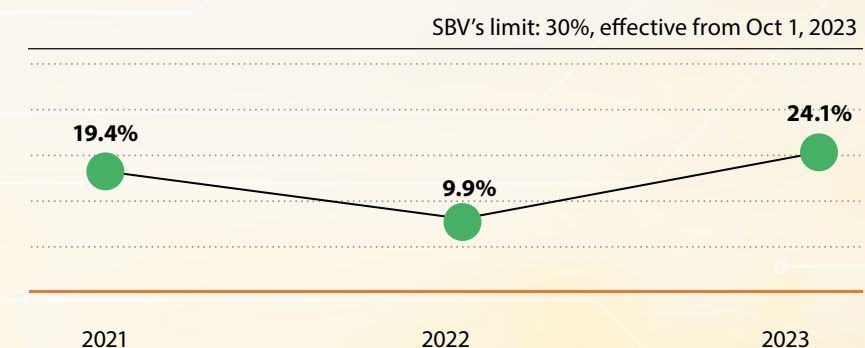
HDBank maintained a CAR under Basel II that exceeds the requirements set by the State Bank and international standards. In 2023, HDBank's CAR reached 12.6%, 150% higher than the minimum requirement of 8% in accordance with Circular No. 41/2016 of the State Bank and Basel II.



The ratio of short-term funding for medium and long-term loans

Unit: %

of HDBank was kept under control, at more than 24% at the end of 2023, below the State Bank's limit of 30% which took effect from October 1st, 2023.



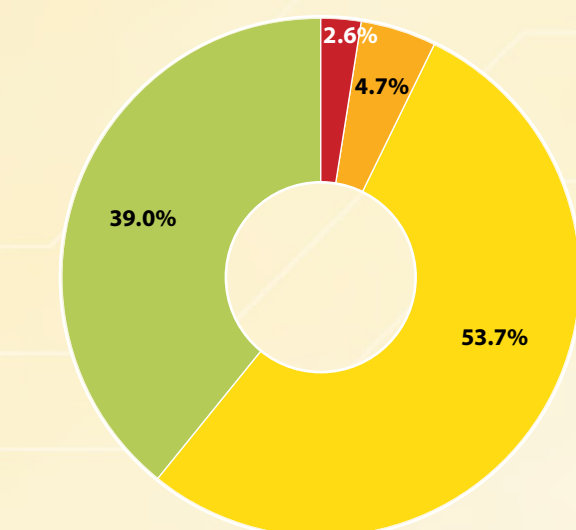
✧ Focus on developing SME and retail segments

The Bank tailors its products and services to SME and individual customers in tier 2 cities as part of a risk diversification strategy. HDBank's lending to SME and individual customers for consumption and business expansion purposes, secured by collateral, has effectively controlled its NPL ratio at a favorable level compared to the industry average.

In 2023, HDBank's loan portfolio was significantly weighted towards SMEs (53.7%) and individual customers (39%), making a substantial contribution to the Bank's profits. In the customer deposit portfolio, individual customers accounted for the largest proportion with 73.4%, followed by corporate and SME segment with 20.5%.

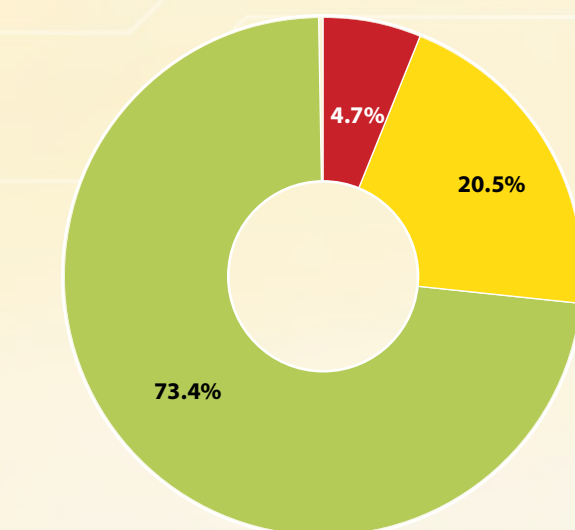
Loan Portfolio Breakdown (Dec 2023)

Unit: %



Customer Deposit Breakdown (Dec 2023)

Unit: %



Looking ahead, HDBank will continue to prioritize this customer segment. By leveraging major value chains in Vietnam such as Samsung, Unilever, Petrolimex, and VNPT, HDBank will implement targeted strategies to attract potential customers and deepen relationships with anchor customers. This will be achieved through engagement with their stakeholder networks, including suppliers, employees, and distributors, to drive supply chain financing, cross-selling, and agency banking. By optimizing these channels, the Bank aims to increase its CASA ratio, reduce capital costs, and ultimately enhance its NIM, improving overall operational efficiency.

✧ Accelerating Customer Acquisition through Digital Innovation

The number of new customers acquired through digital channels in 2023 skyrocketed by 125%, with a corresponding 132% increase in the number of transactions year-over-year. By the end of 2023, 93% of customer transactions were conducted via digital channels, up from nearly 88% at the end of 2022. For the first time, the number of new customers acquired through digital channels surpassed those acquired through traditional channels. The individual customer base exceeded 4.2 million by the end of 2023, reflecting a 27% year-over-year increase.

✧ Ensuring employment and good income for workers

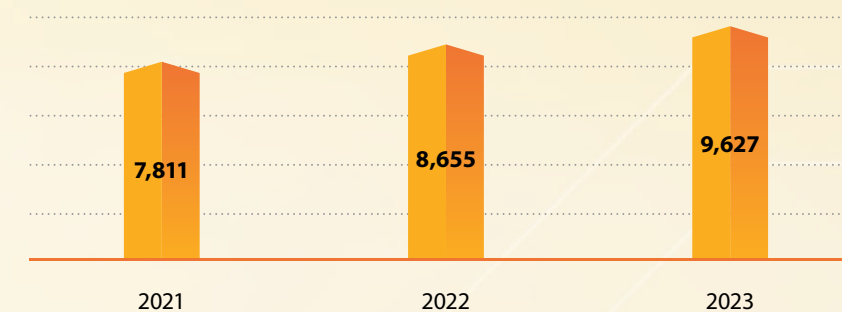
[GRI 201-3] [GRI 202-1]

In 2023, the parent Bank's workforce grew by 11.2% year-over-year, reaching 9,627 employees. Together with its subsidiary HD SAISON, HDBank employs nearly 17,000 individuals. HDBank demonstrates a commitment to competitive compensation, offering an average monthly income of VND 23.18 million per employee, well above the industry average. Additionally, HDBank's starting salary surpasses the Region I minimum wage by 28%, ensuring fair and equitable pay for all employees, regardless of gender.

To reward and incentivize its dedicated employees, HDBank granted two Employee Stock Ownership Plan (ESOP) programs between 2021 and 2023. These programs targeted employees who demonstrated long-term commitment and substantial contributions to the Bank's sustainable development. A total of 40 million ESOP shares were issued, with 20 million shares granted in 2023 alone. This commitment to employee recognition and engagement has contributed to HDBank being recognized as one of the Best Companies to Work for in Asia for six consecutive years.

Number of employees over the years*

Unit: employee



✧ Commitment to maximizing stakeholder benefits

HDBank is committed to maximizing shareholder benefits and maintaining a high dividend payout ratio, with plans to distribute dividends at a rate of 25% in 2023. Despite challenges in the Banking sector and economy, HDBank has maintained a steady dividend payout ratio over the past years. Additionally, the Bank ensures the full and timely payment of interest on deposits, loans and valuable papers to funding institutions and depositors.

In addition, HDBank allocated VND 46 billion for social welfare activities in various underdeveloped provinces nationwide in 2023.

✧ Financial support from the Government [GRI 201-4]

HDBank has been part of the "Development Policy Loan 3" (DPL3) program under by the Prime Minister's direction since 2015. The total value of the loan has reached nearly USD 130 million, with a term of 29 years and a re-lending interest rate spread of 0.9%.

Following Decree No. 31/2022/ND-CP of the Government, HDBank actively provided interest subsidies, with an outstanding loan balance of over VND 4,500 billion in 2023, bringing the total subsidized loans to nearly VND 6,300 billion since 2022.

B. Contribution to the State

[GRI 207-1, GRI 207-2, GRI 207-3]

✧ Fulfillment of tax obligations

HDBank strictly adheres to tax regulations by filing and paying taxes fully and on time. Tax compliance is incorporated into operational risk management, quantified through the indicator of fines for administrative violations imposed by tax authorities. This indicator is regularly monitored and reported by the Operational Risk Management Department to the Chief Executive Officer and the Risk Management Committee.

To ensure effective tax compliance at the business unit level, HDBank has developed a task assignment document detailing responsible for preparation, review and approval, as well as deadlines for filling tax returns, paying taxes and specific work details. To keep well-informed of changes in tax regulations, tax officers proactively participate in tax workshops and update their knowledge through newsletters from leading tax consulting firms. In addition, the Bank consults with a top tax advisory firm to optimize tax approaches in business operations, while fully complying with current laws and regulations.

In 2023, HDBank was honored with a certificate of merit from the Ho Chi Minh City People's Committee for its exceptional tax compliance and fulfillment of tax obligations, marking the fifth consecutive year of receiving this accolade. The Bank contributed nearly VND 2,995 billion in taxes to the State Budget last year, a significant 83% increase from 2022. This substantial contribution positioned HDBank among the top 14 tax-paying banks and within the top 30 of the 1,000 largest taxpayers nationwide.

From 2021 to 2023, the Bank's tax payments were as follows:

- Value-added tax in 2021, 2022 and 2023 were VND 132 billion, VND 248 billion, VND 214 billion, respectively
- Corporate income tax in 2021, 2022 and 2023 were VND 1,490 billion, VND 1,155 billion, VND 2,241 billion, respectively.
- Personal income tax paid in 2023 was VND 445 billion. The personal income tax per capita in 2023 was VND 21.5 million.

C. Enhancement of indirect economic performance

[GRI 203-1, GRI 203-2]

✧ Integrating social responsibility into business operations

Through its business strategies and offerings, the Bank has generated indirect economic value for the people, enterprises and the broader community:

- HDBank's product development targets underserved and unbanked populations, particularly those in rural and remote areas, low-income individuals, women and other vulnerable groups.
- HDBank has steadfastly pursued green credit. Since 2018, green credit has been prioritized for projects in renewable energy, solar power, rooftop PV, agriculture, education, etc. aligning with sustainable development goals.

✧ Sustainable procurement practices

[GRI 206-1]

In pursuit of fair competition and anti-monopoly practices, HDBank has enforced Procurement Regulations. These Regulations detail the procurement process from demand assessment, supplier sourcing, evaluation, approval, to initial and periodic performance reviews of vendors. High-value procurement requires at least 3 suppliers to submit quotations under rigorous criteria for bidding documents to ensure information confidentiality and fair competition.

To ensure the best quality products and services, vendors undergo periodic performance assessment annually, semi-annual or on an ad-hoc basis. The criteria cover legal and financial capabilities as well as proven experience. The Bank will terminate product and service purchase contracts with vendors who have low ratings.

During procurement decision-making, HDBank prioritizes domestic suppliers to contribute to economic growth.

1.5 ACTIVITY/ PROGRAM HIGHLIGHTS

✧ Unwavering commitment to the agriculture-rural pillar

[GRI 203-1, GRI 203-2]

The agricultural and rural sector acts as the backbone of the economy and ties with Vietnam's inherent strengths. Investing in agriculture and rural areas not only helps phase out poverty, improves farmers' lives, but also fuels the sustainable growth of the economy.

For over a decade, HDBank has been investing in the agriculture and rural sector, which accounts for about 70% of Vietnam's population but lacks access to banking services and capital. This orientation aligns with Decision No. 813 of the State Bank in 2017 to direct capital sources to agriculture and rural areas.

In December 2023, HDBank participated in the Vietnam Rice Festival, co-organized by the Ministry of Agriculture and Rural Development, Hau Giang Province, and Vietnam Farmers' Union. HDBank took center stage with a booth introducing financial products and services tailored to rice and agricultural production and business for farmers and rural enterprises.

This strategy proved effective as the sector demonstrated a high credit absorption capacity, significantly contributing to the Bank's profits, customer base, and loan portfolio.

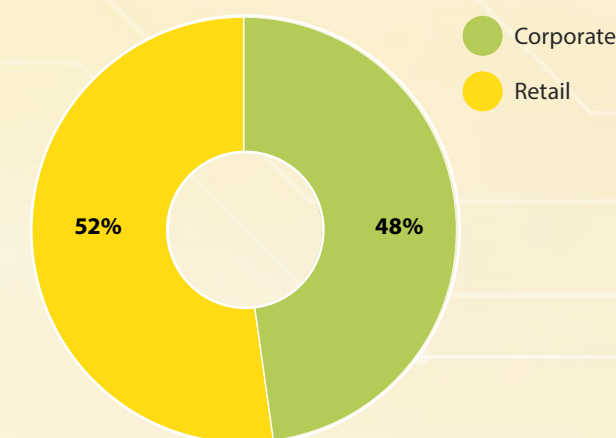
In this segment, HDBank has successfully financed large-scale chains such as Loc Troi, CP, Unilever, etc.. This substantial customer group is key to the impressive 4-5x increase in the number of digital transactions in recent years.

In 2023, the agriculture and rural sector represented 29.2% of HDBank's total retail loans and 3% of its corporate and SME loan portfolio. The Bank expanded its lending

focus to include individuals, business households, and corporate and SME customers within this sector. This resulted in a significant year-over-year increase in new customers: 42% for SMEs and 21% for individuals in the agriculture and rural segment. Within the agriculture and rural loan portfolio, corporate customers accounted for 48%, while retail customers made up 52%.

The agriculture and rural loan portfolio

Unit: %



1.6 FUTURE INITIATIVES

Building on a decade of impressive development, HDBank will continue to execute its credit growth strategies, drive effective capital allocation coupled with social responsibility, focusing on the following areas:

- Focus on retail, consumer and SME lending while accelerating comprehensive digital transformation;
- Improve new customer acquisition solutions through partnerships within HDBank's ecosystem;
- Integrate environmental and social criteria in the assessment of new suppliers and annual reviews;

- Establish a Representative Office in Seoul (Korea) - a key market for investment and trade for Vietnam, to expand international cooperation and seek opportunities for new growth milestones.
- For sustainable procurement practices, the Bank strengthens its commitment to prioritize domestic suppliers. Establish processes to ensure uninterrupted operations during the supply of products and services.

1.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



2. MATERIAL TOPIC 2:

SUSTAINABLE RISK MANAGEMENT

[GRI 201-2]

2.1 GOVERNANCE PERSPECTIVE

Amidst the unpredictable challenges and fluctuations in both domestic and global socio-economic landscapes, risk management has become a critical focus for the Banking sector. It is not only crucial for achieving business objectives but also for safeguarding credit operations, operational activities, and fostering sustainable development. HDBank recognizes that a risk management approach aligned with sustainable development principles enhances the Bank's resilience and adaptability to changes in the business environment, ensuring stable operations and enabling it to capitalize on opportunities arising from economic and geopolitical shifts.

With this understanding, HDBank proactively integrates environmental, social, and governance (ESG) factors into its operational, credit, interest rate, liquidity, and market risk management frameworks. This holistic approach aims to achieve sustainable business growth while maximizing benefits for all stakeholders. By embedding sustainable development principles into its risk management policies, HDBank demonstrates a firm commitment to safeguarding customer and shareholder assets, minimizing environmental impact, contributing to community development, and promoting stable socio-economic growth.

2.2 OBJECTIVES & DIRECTION

At HDBank, sustainability-oriented risk management is an integral part of daily operations. Effective management of environmental, social, and governance (ESG) risks informs the Board of Directors' decision-making processes, enabling the Bank to identify and capitalize on opportunities emerging from global sustainability transitions.

HDBank is committed to continuous improvement, regularly refining and enhancing its policies and risk management processes to align with evolving legal requirements and international best practices in the Banking industry.

The Bank ensures that all employees are well-versed in the importance of managing sustainability-related risks and understand their individual roles in this endeavor.

HDBank also leverages technology to proactively monitor, provide early warning signals, and promptly alert relevant

stakeholders to all types of risks, including environmental and social risks.

2.3 STRATEGIC ACHIEVEMENTS

Capital adequacy ratio (CAR) stood at

12,6%

(under Basel II standards)

Completed the upgrade project of the

operational risk management framework

Completed and officially adopted the

Regulations on Environmental and Social Management System (ESMS)

in credit extension to corporate customers

Started categorizing E&S risks and providing recommendations in accordance with the Regulations on Environmental and Social Management System (ESMS) in Credit Extension from September 2023

Became one of the pioneering banks in Vietnam to comprehensively upgrade from Basel II to Basel III Reforms across all indicators and complying with the stringent requirements recommended by the Basel Committee on Bank for International Settlements – BIS for international banks from 2023.

2.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Integrate ESG into operational risk management processes

✧ Upgrade operational risk management framework

In 2023, HDBank completed the Project to upgrade the operational risk management framework in collaboration with a leading consulting firm. Through the project, HDBank can deploy software and technologies to enhance loss data collection (LDC), conduct risk and control self-assessments (RCSA), monitor key risk indicators (KRI), develop business continuity plans (BCP), and more, all in compliance with State Bank's regulations and international banking practices. Concurrently, the Regulations on Operational Risk Management, including Operational Risk Appetite indicators, were finalized and issued.

With this upgrade, HDBank is gradually embedding ESG considerations into risk identification and monitoring by measuring key risk indicators (KRI) and tracking operational risk limits. Some ESG-related KRIs under close scrutiny include employee turnover rates, negative customer feedback rates, etc. The results of KRI monitoring are reported to the Board of Management monthly and the Risk Management Committee quarterly. Should any KRI exceed the defined thresholds, detailed action plans are discussed and agreed upon with relevant departments for timely rectification. In addition, HDBank is ready to implement BCPs to respond to, recover from, and ensure continuous operation in the face of significant operational risk incidents such as epidemics, natural disasters, fires and explosions, etc.

The upgraded operational risk management framework serves as a guiding principle to communicate the leadership's perspectives on operational risk management across Divisions/Departments and cultivate bank-wide risk management culture.

✧ Pioneer in issuing Policy on the Environmental, Social, and Governance (ESG)

In 2023, HDBank was at the forefront of adopting and implementing the Regulation on Environmental, Social and Governance (ESG) Policy. The Regulation provide guidelines and principles for sustainable development in the process of serving customers and cooperating with partners, respecting for human life and positively impacting the community, while ensuring compliance with legal regulations and international ESG practices.

✧ Communicate about ESG integration in risk management to all employees

The Bank believes that effective and comprehensive integration of ESG into operational risk management cannot be achieved without the proactive participation of each employee and business unit. To ensure all HDBank staff are fully aware of the Bank's sustainable development direction and their responsibilities in risk management, the Bank communicates ESG content through internal information systems, emails and monthly video messages, making the concept of ESG in risk management more accessible to all employees. These communication efforts have raised employee awareness of the importance of ESG factors in operational risk management, and shifted the mindset of senior and middle managers, as well as business units, regarding their roles in risk identification, assessment, and monitoring.

Throughout the risk management process, HDBank has recorded no environmental or social incidents or related financial losses.

B. Integrate ESG into credit risk management

As a financial intermediary in the economy through capital allocation, the Bank not only drives economic growth but also bears the responsibility of encouraging corporate clients to follow sustainable development standards. To realize its aspiration to become a Green Bank, HDBank has made significant strides to integrate ESG in credit risk management from 2015 to present, specifically as follows:

2015

Issued a Green Credit and Environmental and Social Protection Policy.

2018–2019

- Launched the “Vietnam Solar Power Project Financing” Program with a value of VND 7,000 billion;
- Launched the Program of “Financing Corporate Customers to install rooftop solar power system and pay electricity bills”;
- Pioneered in financing green projects in Vietnam including wind power, solar power and rooftop solar power.

2020

- Launched the “Green Credit Card” and “Green Card for Vietnamese Families” Programs for individual customers installing rooftop solar power systems;
- Issued the Regulations on financing installation of rooftop solar power;
- Appointed personnel in charge of environmental and social risk management.

2021

- Established Project team for building the Environmental and Social Management System;
- Became the first Vietnamese bank to commit not to finance coal-related activities including coal mining, coal transportation, and coal-fired power plants.

2022

- Developed the Regulation on Environmental, Social, and Governance Policy;
- Developed Policy on environmental and social risk management in credit extension applicable to the solar power sector.

2023

- Officially issued the Regulations on Environmental, Social, and Governance Policy;
- Developed the Environmental and Social Management System for Trade Finance (ESMS for Trade Finance) applicable to transactions using ADB capital;
- Issued the Regulations on the organization and operation of the Environmental and Social Council;
- Issued the Decision to establish the Environmental and Social Council;
- Issued Regulations on environmental risk management in credit extension for investment projects, complying with Circular No. 17/2022/TT-NHNN;
- Issued Regulations on environmental and social risk management in credit extension applicable to all new credit applications for corporate customers (origination, renewal, limit increase);
- Made training plans for specialized personnel on Regulations on Environmental and Social Management (ESMS) for Credit Extension.

✧ Training for employees on adopting the Regulations on Environmental and Social Management System (ESMS) for credit extension

In 2024, the Environmental and Social Council will roll out training sessions to equip all staff with a comprehensive understanding of the Regulations on Environmental and Social Management System (ESMS) for Credit Extension.

In June 2023, a 2-hour training session on Regulations on Environmental and Social Management System (ESMS) for Credit Extension was held by Pacific Risk Advisors Ltd. for representatives from Head Office departments including the Operational Risk Management Department, Credit Risk Management Department, Legal Department, Financial Institutions Department, Commercial Banking Development & Support Center, Corporate Credit Appraisal Center and Environmental and Social Team. These training sessions have provided both general and in-depth knowledge on the integration of the Regulations on Environmental and Social Management for Credit Extension into the existing credit granting process. Additionally, environmental and social impacts on credit extension and the roles and responsibilities of employees at all levels in implementing ESMS were also covered.

✧ Complete the development of modern credit risk measurement tools

In 2023, HDBank completed the development of a modern credit risk measurement tool based on the Basel - IRB (Internal Rating Based) approach for the Retail and Wholesale portfolio, with the support of PwC Vietnam. This groundbreaking project in Vietnam employs machine learning in conjunction with extensive and accurate data from both internal and third-party sources to build optimal risk prediction models.

Under the Basel IRB approach, the internal credit rating system encompasses tools to measure PD (Probability of Default), LGD (Loss Given Default), and EAD (Exposure At Default) to calculate expected losses for each loan. Besides, this model can assess various customer aspects such as personal information, income, historical repayment behavior, and third-party credit ratings, and can be integrated into an automated customer scoring and online approval system.

The project plays a key role in improving HDBank's risk management capabilities, supporting business operations through quantitative risk assessment, and refining credit quality evaluation using modern methodologies.

The modern credit risk measurement tool officially went live on December 30th, 2023. The project's outputs will be utilized for credit approval, loan pricing, automated approval, collateral management, etc. thereby improving customer experience, delivering the best value to customers, and strengthening credit risk management.

C. Integrate ESG into liquidity, interest rate, and market risk management

In 2023, HDBank continued to focus on liquidity, interest rate and market risk management by closely monitoring prudential ratios to ensure sustainable business operations. As of December 31st, 2023, HDBank's prudential ratios were as follows:

- **Separated capital adequacy ratio (CAR)** under Basel II standards: 12.2%, higher than Basel II's minimum level of 8%.
- **Liquidity coverage ratio (LCR):** 132%, 32% higher than the Basel threshold of 100% (2019)
- **Net stable fund ratio (NSFR)** under Basel: 128%, 28% higher than Base III's minimum level of 100%.

Since 2015, HDBank has been committed to adopting global best practices by proactively deploying Basel II standards even before the State Bank issued Circular 41, which mirrors Basel II regulations. This is one of the most comprehensive frameworks observed in the world's largest banks. HDBank's goal was to spearhead the business transformation towards a risk-based decision-making approach.

2015 – 2016

Before the State Bank issued Circular 41 with regulations similar to Basel II, HDBank proactively researched and partnered with prestigious international consulting firms to implement Basel II.

2017 – 2018

Conducted diagnosis and developed a roadmap to roll out Basel II-based risk management system.

2019

Met all criteria to fully apply 3 pillars of Basel II ahead of the 2020 deadline

2020 – 2022

- Rolled out and upgraded Basel III for each dimension
- Applied two metrics namely LCR and NSFR.

2023

Completed the full upgrade of Basel II to Basel III Reforms

After nearly a decade of striving to adopt the most advanced Basel standards into its business operations and banking governance, HDBank is proud to be one of the first banks in Vietnam to successfully implement the Basel III Reforms

✧ One of the first banks to comprehensively implement Basel III Reforms

HDBank took the lead and successfully implemented the Basel III Reforms starting in July 2023, even ahead of any official requirements for Vietnamese banks. This was attributed to the cooperation between HDBank and the world's leading consulting companies.

Accordingly, HDBank fully upgraded Basel II to Basel III Reforms across all indicators and complied with stringent requirements for international banks recommended by Basel Committee on Bank for International Settlements – BIS from 2023.

Unlike Basel I and II standards, Basel III was introduced in the aftermath of the 2008-2009 global financial crisis to tighten equity and liquidity requirements and enhance resilience for banks. Basel III implemented LCR - Liquidity Coverage Ratio and NSFR - Net Stable Fund Ratio.

By adopting Basel III Reforms standards, HDBank is pursuing sustainable development goals including: improving financial capacity through the adoption of CAR - with higher

minimum requirements than Basel II, and the Internal Capital Adequacy Assessment Process (ICAAP); Leverage ratio; improving liquidity through LCR and NSFR monitoring; and further consolidating the Internal Control System.

Previously, since mid-2019, HDBank finalized and upgraded Basel III for each dimension, with priority given to building a system of methodologies, policies, organizational structure and sophisticated calculation tools for liquidity risk management, market risk management and early measurement of LCR and NSFR under Basel III.

Building on that foundation, HDBank headed towards Basel III through a series of efforts including data standardization, human resources enhancement, modernized technology infrastructure, IT system overhaul, upgraded digital infrastructure, transparent information disclosure, and consolidation of policies, etc.

HDBank's adoption of Basel III risk management standards and success in maintaining prudential ratios above regulatory requirements have built up momentum for growth and driven business operations alongside customers, ultimately fueling the economic recovery.

2.5 ACTIVITY/ PROGRAM HIGHLIGHTS

✦ Upgrade the Environmental and Social Management System (ESMS) for Credit Extension

Green credit and green banking play pivotal roles in successfully implementing the national green growth strategy for 2021-2030, with a vision to 2050. In alignment with Directive No. 03 of the State Bank of Vietnam on promoting green credit growth and managing environmental and social risks in credit extension, HDBank successfully completed the project to upgrade the Environmental and Social Management System (ESMS) for credit extension in 2023. This project was carried out with the support of a leading consulting firm. The project outcome is a comprehensive set of regulations on environmental and social risk management in credit granting activities, compliant with Circular No. 17/2022/TT-NHNN of the State Bank on environmental risk management for credit extension. The main objectives of upgrading and implementing the Environmental and Social Management System (ESMS) for Credit Extension include:

- Ensure a systematic approach to implementing HDBank's environmental and social policies.
- Support the proactive management of E&S risks and opportunities as they are identified at an early stage, including the management of associated financial, reputation and legal risk.
- Ensure effective management and mitigation of E&S issues throughout the entire lifecycle of each credit product/service, from initial screening and categorization to risk assessment, credit approval, ongoing monitoring, reporting, and final closure.
- Provide comprehensive guidance to HDBank employees on identifying, assessing, and managing E&S risks throughout product delivery.

The Regulations on Environmental and Social Management System for Credit Extension encompass a set of documents and tools including:

- E&S Policies: Outlining 21 guiding principles for HDBank's engagement with stakeholders to foster positive environmental and social outcomes.

- E&S Risk Management Process for Credit Extension: This process details a step-by-step approach, from initial credit application screening and E&S categorization, through risk assessment and credit approval, to ongoing E&S monitoring, reporting, and closure. This ensures that all credit decisions are informed by E&S considerations.
- E&S Exclusion List: This list articulates HDBank's commitment to not finance sectors with potential negative E&S impacts, aligning with international financial organization requirements. The Bank excludes financing for activities involving weapons manufacturing, alcoholic beverages, tobacco, waste trade, child labor, forced labor, fossil fuel extraction and processing, coal mining and transportation, and related services.
- E&S Tools: Providing practical resources such as an E&S questionnaire for credit appraisal, a customer E&S action plan template, and an annual E&S questionnaire to facilitate effective E&S risk management.

At HDBank, from January 2024, all new corporate credit products including origination, renewal, limit increase will be screened against the Exclusion List, subjected to E&S grading and assessment based on the Regulations on ESMS for Credit Extension to identify and manage environmental and social risks and classify credit applications, evaluate compliance and E&S impact. Applications will be routed to appropriate appraisal and approval processes based on their classification. If a credit application fails to meet the requirements, HDBank will work with the client to develop an Environmental and Social Action Plan (ESAP). Throughout the ESAP process, HDBank's team of E&S specialists will offer advice to help businesses address their E&S issues associated with business operations.

In addition, E&S compliance is recognized as a prerequisite for maintaining credit facilities under loan agreements. HDBank conducts annual reviews of E&S compliance, business operations, and ESAP implementation plans to ensure continuous monitoring and management of E&S risks throughout the loan tenure. This is also an opportunity for HDBank to engage with clients, gain a deeper understanding of their challenges in implementing ESAP, and collaborate with them in achieving sustainable business practices.

Implementation results:

As soon as the Regulations on ESMS for Credit Extension were issued, 100% of new loans have been subjected to E&S assessment in accordance with approved regulations.

Impact:

The short-term economic value of E&S lending may be difficult to quantify directly through impacts on business performance and revenue and profitability. However, with a long-term vision of economic development coupled with sustainable value creation for the environment and community, mutual long-term benefits will be obtained through the integration of ESG considerations into lending activities. This aligns with the Bank's support for implementing the "National Green Growth Strategy for 2021-2030, vision to 2050" as mandated for the Banking sector in Decision No. 1408/QD-NHNN of the State Bank.

2.6 FUTURE ACTIONS

In the relentless pursuit of the objective of sustainable development as its guiding principle, HDBank will persist in the incorporation of Environmental, Social, and Governance (ESG) factors into its risk management practices, with a specific emphasis on the following areas:

- Identifying, assessing and monitoring risks associated with environmental, social, and governance aspects that impact key business operations in order to determine appropriate risk controls;
- Devising methodologies to assess and report the impact of climate change risks (including both physical and transition risks) in accordance with regulations by the Government of Vietnam and international standards.

2.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



3. MATERIAL TOPIC 3: SUSTAINABLE FINANCE

3.1 GOVERNANCE PERSPECTIVE 3.2 OBJECTIVES & DIRECTION

HDBank recognizes that achieving substantial and sustainable growth requires a comprehensive understanding of environmental, social, and governance (ESG) risks in its operations, particularly in credit extension and investment. Failure to identify and mitigate these risks can lead to credit, liquidity, and operational issues, directly impacting the Bank's efficiency and reputation. Therefore, ESG factors are consistently integrated into HDBank's credit and investment decision-making processes.

Furthermore, providing sustainable financial solutions to support green transformation is a key priority in HDBank's sustainable development strategy. The Bank is dedicated to offering products and services that positively impact society and the environment, proactively engaging with industries and customers involved in environmentally friendly practices or those committed to reducing their environmental footprint, thus creating sustainable value for the community.

"Greening credit" is increasingly important in the context of global climate change. Due to its international recognition and partnerships with leading global financial institutions, HDBank has early access to green credit funding. This allows the Bank to spearhead green credit initiatives and fulfill its social responsibilities. By deploying green credit packages and loan solutions, HDBank facilitates the adoption of sustainable financial practices by businesses and individuals across Vietnam, especially in sectors like agriculture, renewable energy, waste management, healthcare, and education.

As a pioneering bank in embracing green credit, HDBank is dedicated to providing robust and efficient assistance for the provision of affordable green financing to customers, which aims to foster the growth of a green, prosperous, and sustainable economy.

The completion of the Regulation on Environmental and Social Risk Management in Credit Extension is a crucial prerequisite for the Bank to advance its green credit programs. Accordingly, HDBank will refrain from financing several industries that exhibit adverse environmental and societal impact, such as weapons manufacturing, alcoholic beverage production, forced labor and harmful child labor exploitation, and extraction and processing of fossil fuel (oil, natural gas), among others.

Furthermore, HDBank prioritizes offering preferential financial products for businesses, supply chains, and sustainable development projects, particularly in renewable energy, waste treatment, rural development, healthcare, and education. In collaboration with the International Finance Corporation (IFC), HDBank has secured a USD 70 million facility to further fund renewable energy projects in Vietnam. This agreement aligns with HDBank's goal to increase its climate finance portfolio to USD 800 million by 2025. Moreover, in 2023, HDBank and the IFC signed a memorandum of understanding to establish a strategic partnership aimed at supporting small and medium-sized enterprises (SMEs) in accessing finance and integrating into the global supply chain, with a particular emphasis on high-tech agricultural supply chains. Leveraging its expertise and resources, HDBank aims to build a supply chain financing portfolio exceeding USD 1 billion by 2025.



Mr. Tran Hoai Phuong - Director of Corporate Banking Division - representing HDBank received the awards for Outstanding Green Credit Bank and Bank Accompanying SME (IDG 2023).

3.3 STRATEGIC ACHIEVEMENTS

Best Bank for Sustainable Finance

- The Asset Magazine (2023)

Outstanding Financial - Banking Products & Services Award 2023 (IDG 2023)

Outstanding Bank for Green Credit, a Go-To Bank for SMEs

Over

USD 170 million

of green capital funded as of 2023

Cumulative green credit disbursed in the past three years (2021, 2022, and 2023) exceeding

VND 8,700 billion



In 2023, HDBank and IFC entered into a cooperation agreement for advisory services to elevate and expand supply chain financing activities.

3.4 IMPLEMENTED ACTIONS AND INITIATIVES, ALONG WITH THEIR CORRESPONDING OUTCOMES

A. Access to green financing

In recognition of the significant threats posed by climate change to Vietnam, HDBank relentlessly assists the government, ministries, sectors, localities and communities to facilitate the attraction of green capital inflows to Vietnam. In 2015, HDBank was appointed by the Government to provide official development assistance (ODA) capital from the International Fund for Agricultural Development (IFAD), which is under the auspices of the United Nations, for the climate change adaptation project in Ben Tre and Tra Vinh provinces of the Mekong Delta. In the same year, the Government appointed HDBank to offer EUR 100 million of official development assistance (ODA) capital from the German government towards the Improving Energy Efficiency project in Hanoi and Ho Chi Minh City. Furthermore, HDBank has been consistently chosen by the State Bank and the Ministry of Finance to provide services for projects using ODA funds for the development of clean water supply systems, construction of schools, hospitals, and economic infrastructure. Over the past few years, HDBank has expanded its partnership network with numerous international financial institutions, including the International Finance Corporation (IFC), Deutsche Development Finance Institution (DEG, a subsidiary of German Reconstruction Credit Institute (KfW)), French Development Finance Institution (Proparco), and Leapfrog Investments, which has resulted in the successful disbursement of a substantial amount of funds, totaling hundreds of millions of USD,

towards initiatives dedicated to renewable energy, advanced agricultural practices, small and medium-sized enterprises (SMEs), as well as women-owned businesses in Vietnam. Furthermore, global institutions such as the Development Finance Corporation (DFC) of the United States, the British International Investment (BII) of the British Government (UK), and the Asian Infrastructure Investment Bank (AIIB) are currently engaged in active discussions to enhance collaboration with HDBank in credit and green bond financing.

HDBank has consistently broadened and fortified its network, including collaborations with major global financial institutions and green investment funds, through its persistent endeavors to proactively establish connections with numerous development finance institutions (DFIs), to co-create sustainable financial solutions. Moreover, in 2023, HDBank enhanced and advocated for the adoption of the Environmental and Social Risk Management System (ESMS) in Credit Extension, which not only set the ground for the development of its policies and procedures, but also demonstrated its resolute dedication to adhering to global environmental and social benchmarks, particularly in mitigating socio-environmental risks and facilitating Vietnam's resilience to climate change. Subsequently, HDBank's reputation and investment appeal to global financial institutions have also been bolstered.

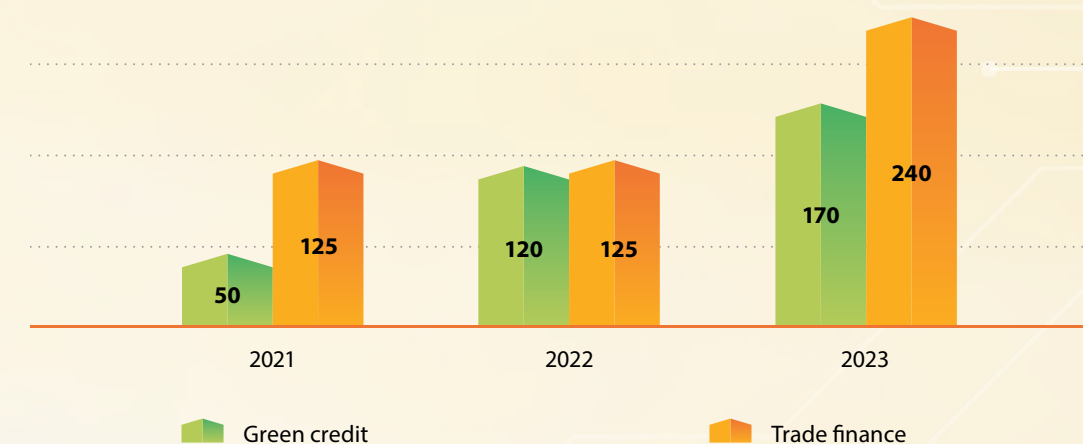
Through its partnership endeavors, HDBank not only facilitated the introduction of green funds into Vietnam to support sustainability-driven projects, but also ensured the ongoing and further access to green credit financing from global financial sources in the future. In 2023, HDBank successfully secured over USD 170 million in green credit from renowned international development finance institutions, such as Proparco and IFC.

In addition, development finance institutions such as the Asian Development Bank (ADB) and International Finance Corporation (IFC) have recently raised the trade financing limit for HDBank and promoted the financing of the import of equipment used for renewable energy, green agriculture, sustainable finance, and other similar purposes. As a result, this limit extended to the Bank had, cumulatively, surpassed USD 240 million by 2023.

The confidence of esteemed international financial institutions is a tangible indication of the Bank's dedication and capability to influence the trajectory of sustainable finance and a critical milestone that paves the way for further development and enhancement of social finance efforts in the coming years.

Green credit and trade finance limit extended to HDBank

Unit: USD million



Additionally, 2023 marked a significant turning point in HDBank's progress as the Bank and IFC entered into a consulting agreement to enhance and broaden chain financing operations, serving as a foundation for the enhancement and expansion of the Value Chain Financing platform. Through this endeavor, IFC would assist HDBank in conducting a comprehensive assessment of its prospective portfolio, aligning specialized financing product lines with technological advancements to enhance existing value chain financing capabilities, expanding financing scale, and providing training to develop a proficient and capable team in this domain. Value chain expansion is a critical strategic initiative in the Bank's high-level plan for

the period of 2021-2025, as evidenced by several significant implementations in the pipeline, such as a digitized customer journey enabled by transaction banking and fintech platforms; enhanced consulting capabilities of the leadership team; and a closer alignment with the best practices in domestic and international markets. This is a crucial stage that will assist HDBank in expanding its chain financing portfolio to 8,000 enterprises with a total value of up to USD 3 billion (over VND 60,000 billion), focusing on increasing its value chain financing portfolio in the agriculture sector and providing financial supports for suppliers and distributors.



In 2019, HDBank became the first bank in Vietnam to receive the Green Bank Award - "Green Deal Award" from the Asian Development Bank (ADB).

B. Lending to green enterprises with positive impacts to the future

To facilitate the achievement of the country's objective of sustainable development and foster the growth of a green economy in Vietnam, HDBank has been a pioneer in the incorporation of green finance into its business strategy. The Bank considers green finance development as one of its top priorities in order to redirect economic capital and business activities from the public, private, and non-profit sectors to sustainable development areas. The Bank ensures that each unit of green credit capital received is utilized in a transparent and efficient manner, while also making a contribution towards the creation of sustainable value for both the community and the environment.

In fulfilling its role as a green credit provider, the Bank endeavors to effectuate constructive and enduring transformation. HDBank demonstrates its unrelenting commitment to social responsibility and environmental protection through its stance against financing any operations associated with coal extraction, transportation, coal-fired power plants, or infrastructure supporting such activities.

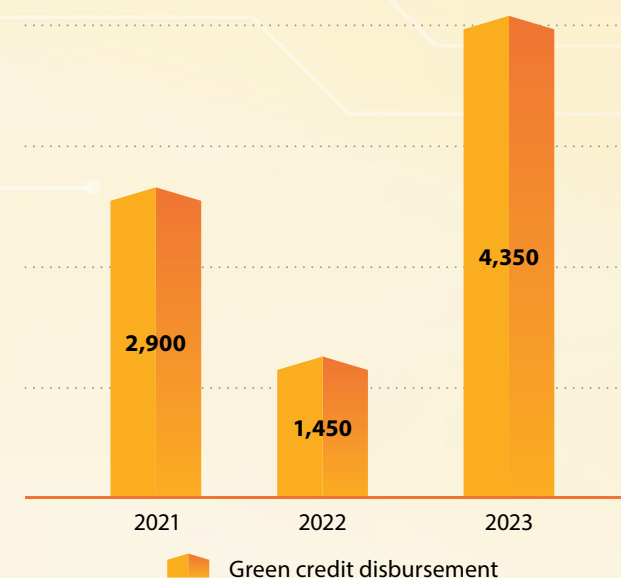
Moreover, in order to promote initiatives that contribute to the betterment of the environment and society, HDBank offers preferential capital access to projects that satisfy the Bank's green criteria. A comprehensive evaluation framework, based on the Environmental and Social Risk

Management (ESMS) Policy in Credit Extension, has been developed to enable the Bank to identify and assess the extent of negative impacts that each project may have on the environment and society. Additionally, HDBank has leveraged the expert advisory support of well-known international financial institutions to improve its lending terms to be specifically tailored to each project. Prior to receiving funding, each project must undergo a rigorous evaluation procedure to examine its environmental and social impacts, which is conducted based on a holistic documentation and legal framework. The Bank's credit decision is determined not only by the project's investment license and regulatory documents, but also by its demonstration and capacity to support the green growth objectives outlined in its investment strategies and plans. Furthermore, depending on the industry, it is important for the projects to conduct independent evaluations of their environmental and social impacts, or secure official approval from competent authorities for their environmental impact reports, which are done to guarantee strict adherence to the standards and rules set by regulators. Additionally, the Bank establishes a comprehensive system for compliance assessment and management both before and after disbursement to ensure that businesses adhere to their utmost commitments regarding remedial actions and contributing to mitigating environmental and social risks.

When it comes to innovative and adaptable financial solutions, over VND 4,350 billion was disbursed in 2023 for green projects with incentives by HDBank. In comparison to 2022, there was a significant 200% uplift in the disbursement of green credit, rising from VND 1,450 billion to VND 4,350 billion. This is an evidence of the efficacy of the Bank's efforts.

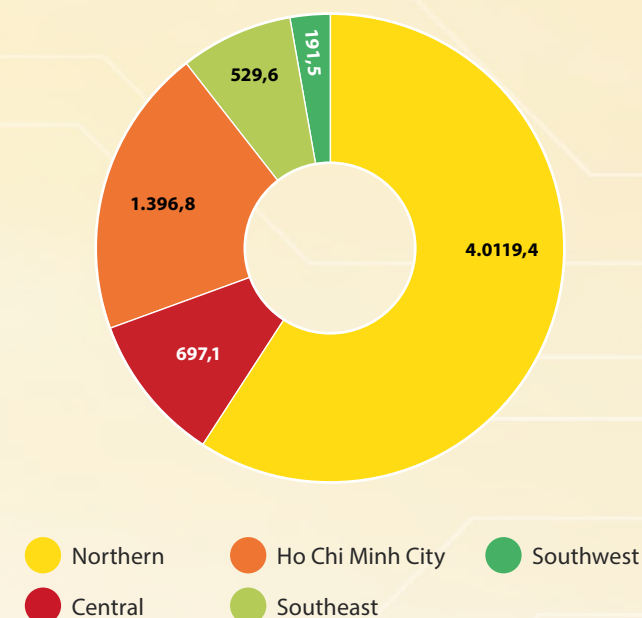
Green credit disbursement

Unit: VND billion



Outstanding green credit by region^(*)

Unit: VND billion



(*) Outstanding green credit as of December 31, 2023.

of sectors that contribute positively to the environment, such as renewable and clean energy, electric vehicles manufacturing and trading, green technology agriculture, green buildings, and water quality improvement. HDBank allocates substantial funding towards sustainable initiatives dedicated to agriculture, rural areas, agricultural value chains, public health, education, micro, small, and medium-sized enterprises (MSMEs), essential goods supply chains, business households, women-owned small and medium-sized enterprises. The Bank's funding prioritization demonstrates its commitment to the community and its endeavors to shape the economy towards sustainability.

❖ Green credit financing for the renewable and clean energy

In support of the growth of renewable energy, such as wind power, rooftop solar power, and solar power plants, HDBank has been relentlessly staying committed to developing green financial solutions. As part of its strategy to promote sustainable finance, the Bank's focused support for enterprises is evidenced in its effort to provide long-term investment capital and flexible credit packages. These financial products not only offer preferential interest rates but are also tailored to fit the technical and economic specifics of each project, minimizing the initial financial burden for companies and expediting project progress to the implementation phase.

By the end of 2023, the outstanding loans for rooftop solar power projects emerged as the dominant in the renewable and clean energy sector, reaching VND 2,693 billion, accounting for 61% of the outstanding loans. Meanwhile, solar power plants recorded outstanding loans of VND 1,750 billion, equivalent to 39% of the total outstanding loans.

❖ Green Financing for Sustainable Industries

In support of the global efforts in combating climate change by reducing adverse environmental impacts, HDBank has launched many preferential interest rate programs with a 0% interest rate, as well as easy-to-apply loan options, for purchasing environmentally friendly vehicles such as electric cars, electric motorcycles, and electric bicycles. This program aims to promote green decision-making within the community, fostering a reduction in environmental pollution and advancing the pursuit of sustainable development in daily life.

Furthermore, HDBank is particularly focused on supporting sustainable real estate projects. The Bank offers preferential financing packages to assist enterprises in constructing green buildings and operating green restaurant and hotel chains. This credit financing solution not only incentivizes enterprises to invest in green constructions, but also guarantees that their projects have a good impact on the living environment by reducing greenhouse gas emissions and conserving resources, energy, and water.

❖ Sustainable credit financing for agriculture, rural areas and agricultural value chains

HDBank not only supports the development of prospective renewable energy projects but also attempts to establish

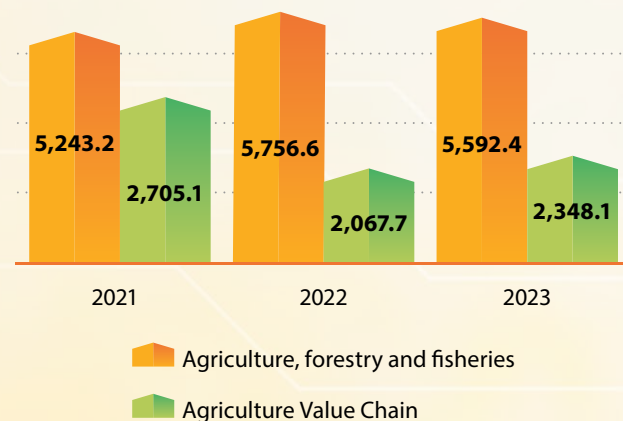
a robust framework for cities and communities with a sustainable vision. The Bank encourages the adoption of smart farming, high-tech agriculture, and clean agriculture practices through credit packages with tailored incentives. Simultaneously, these financial solutions offered by HDBank aid in enhancing the living standard in rural areas, therefore fostering the prosperity of the local people, while also safeguarding the environment. In addition to supplying economic resources to rural areas, HDBank's financial solutions promote and facilitate the implementation of advanced technologies, which is fundamental to the sustainable development of rural communities in harmony with nature.

Furthermore, HDBank actively encourages large-scale companies operating participated in agricultural value chain by means of practical incentive programs, contributing to the sustainable development of agriculture sector and rural areas in Vietnam. The Bank persistently enhances financial solutions to facilitate farmers' access to emerging scientific and technological advancements, thus bolstering the international market value of agricultural products from Vietnam.

As of the end of 2023, the agriculture, forestry and fisheries sectors along with agricultural value chains recorded outstanding sustainable loans of VND 5,592.4 billion and VND 2,348.1 billion, respectively.

Outstanding green loan in the agricultural sector and agricultural value chain

Unit: VND billion



(*) Outstanding green loan as of December 31 every year



In September 2023, coinciding with the visit of US President Joe Biden to Vietnam, HDBank and Fulbright University Vietnam signed a cooperation agreement to provide matching capital worth the equivalent of 20 million USD.

❖ Sustainable credit financing for the public health and education

HDBank is particularly committed to delivering strategic financial solutions that facilitate and promote the development of healthcare, medical and educational projects. The Bank offers dedicated financing packages for the development of education and healthcare projects, focusing on equipment and technology enhancements and infrastructure construction.

The Bank has extended more than VND 100 billion to the healthcare sector in order to assist hospitals and healthcare facilities in expanding their operations, modernizing their technology, financing medical research, and delivering high-quality healthcare services.

HDBank has disbursed over VND 300 billion in credit for the education sector for the development of advanced educational institutions, vocational training centers, and schools, all aimed at expanding educational opportunities and enhancing people's professional qualifications.

3.5 ACTIVITY/ PROGRAM HIGHLIGHTS

❖ USD 20 million in capital funded to Fulbright University Vietnam

HDBank marked a significant milestone in its commitment to promoting high-quality education in 2023 when it entered into a substantive collaboration agreement with Fulbright University. HDBank commits to finance the construction of Fulbright University in Ho Chi Minh City High-Tech Park by investing and providing counterpart capital totaling USD 20 million USD, in addition to funding from DFC, in accordance with the terms of this agreement.

This signing has provided the necessary financial resources to facilitate the building of educational institutions and infrastructure, thereby enhancing the standard of education, student welfare, scientific research, and innovation. Furthermore, this collaboration agreement further reaffirms HDBank's commitment to contributing to the development of a knowledgeable younger generation in the top educational environment at Fulbright University. The Bank is proud to form this strategic partnership with Fulbright University, working together to shape the future via education and scientific research, targeting the promotion of value creation for the community and inspiring the next generation of leaders to bring about good transformations in Vietnam and the world.

3.6 FUTURE ACTIONS

HDBank will persist in pushing green credit, while simultaneously mobilizing and directing capital into sectors that are sustainable and contribute positively to society, hence driving green growth. The scope of green credit development of the Bank in the coming years will center around certain fields as follows:



Energy efficiency in industrial parks, economic zones, residential areas, and developed public services, including improving energy efficiency in industrial parks through the installation of more efficient equipment, process changes, heat loss reduction, and enhanced heat recovery

Agriculture, forestry, fishing, and land uses including projects that involve agricultural operations which neither deplete nor increase the current carbon stocks



Waste and wastewater treatment including projects that transition waste treatment from landfilling to waste-to-energy

Urban mobility transformation including projects producing and introducing electric vehicles to address people's travel demands



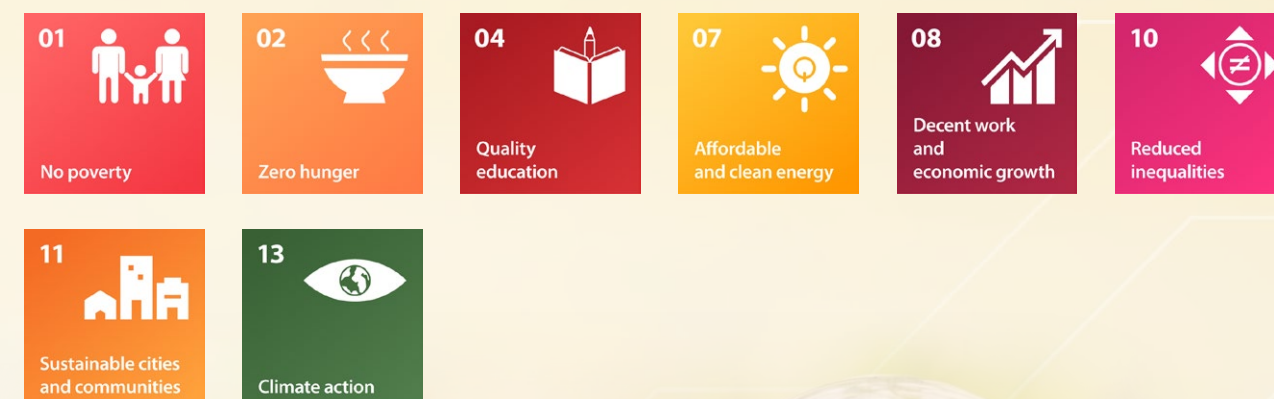
As an additional measure to strengthen the linkage between environmental protection and economic development, HDBank anticipates increasing its climate finance portfolio to USD 800 million prior to 2025. The sectors to be financed are expected to substantially mitigate greenhouse gas emissions, with an estimated annual reduction exceeding 54,000 tons from 2021 to 2025 and thereafter.

Along with its green finance promotion program, HDBank actively encourages sustainable finance, with an emphasis on areas related to community and social development to contribute to the country's overall sustainable development. Areas of focus for the Bank's development efforts include women-owned enterprises, small and medium-sized businesses, enterprises and individuals operating in rural and remote regions, as well as enterprises operating in the education and healthcare sectors. In 2024, HDBank plans

to collaborate with ADB and IFC to design sustainability-driven credit products that align with HDBank's strategic direction and market demands.

Recognizing the strategic value of carbon credits in driving down greenhouse gas emissions, HDBank highlights the need for a well-functioning, well-managed, and transparent carbon credit market. The Bank will proactively research and implement financial solutions to assist individuals and enterprises participating in the carbon credit market. The Bank aims to provide both individual and business clients with the required resources to not only engage in, but also benefit from the opportunities presented by the emerging carbon credit market. Thus, the Bank not only facilitates enterprises to shift towards low-carbon operations but also fosters innovation and sustainable development within the business community.

3.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



4. MATERIAL TOPIC 4: LEGAL COMPLIANCE

[GRI 2-23, GRI 2-27, GRI 419-1]

4.1 GOVERNANCE PERSPECTIVE

HDBank's operational principles are deeply rooted in a strong legal and ethical framework. The Bank goes beyond mere compliance, actively upholding the highest ethical standards. HDBank is committed to promptly adapting its internal policies and regulations to reflect evolving legal and ethical landscapes. This commitment extends to comprehensive training programs that ensure all personnel thoroughly understand and strictly adhere to the Bank's policies and regulations.

In building a trusted banking brand, HDBank diligently protects and optimizes stakeholder interests. Through a robust monitoring and control system, the Bank proactively identifies, prevents, and eliminates all forms of financial misconduct, including bribery, corruption, fraud, and money laundering. Transparency is a core value for HDBank, reflected in its comprehensive and truthful

disclosure of financial information and sustainable practices to stakeholders. The Bank strives to build trust and cultivate lasting partnerships with its diverse clientele and partners through these efforts.

As a responsible and active member of the business community, HDBank prides itself on achieving exceptional growth while maintaining an unwavering commitment to environmental and social responsibility. This commitment is demonstrated through investments in and development of sustainable services and initiatives, as well as by ensuring that all activities adhere to environmental and social laws, regulations, and ethical standards. HDBank views its positive environmental and social contributions not just as an obligation but as a fundamental mission that guides every business decision.

4.2 OBJECTIVES & DIRECTION

Beyond adherence to applicable laws and regulations, HDBank constantly strives to rigorously enforce ethical standards in every facet of its operations. The Bank guarantees its full adherence to legislative requirements on financial, environmental and social crime prevention, and ensures that no major concerns are raised by regulators in the Bank's implementation and compliance with these regulations. Moreover, the Bank is committed to upholding the trust and satisfaction among all stakeholders by ensuring transparency in information disclosure and timely provision of necessary reports to customers, partners, and stakeholders.

HDBank aims not only to prevent violations of the law but also to build a workforce equipped with adequate knowledge, self-awareness and skills to prevent, identify and fight against illegal acts, thereby contributing to building a transparent and robust Bank. Accordingly, HDBank has organized training programs with a focus on preventing social, environmental, and financial crimes with the intention of guaranteeing that 100% of employees fully complete these mandatory courses.

4.3 STRATEGIC ACHIEVEMENTS

HDBank maintained a clean record of compliance with financial, environmental, and social crime prevention laws in 2023, with no sanctions or financial losses resulting from related lawsuits.

100% personnel

including management, completed the anti-corruption course.

97,5% of activities

subject to risk assessment underwent inspection for corruption-related concerns.

4.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

[GRI 2-26]

HDBank not only considers legal compliance as an obligatory requirement but also a fundamental pillar of its corporate culture. New regulations and revised provisions within the legal system are consistently subject to vigilant oversight and evaluation by the Bank. HDBank promptly adapts to regulatory changes through an internal procedure that assesses and incorporates legal updates into the Bank's existing governance framework.

In order to enhance the legal understanding of its employees, HDBank distributes periodic newsletters and conducts training programs that cover critical legal topics pertinent to the operations of each unit. Hence, the Bank mandates that all individuals, from the board of directors to the staff, possess a comprehensive understanding of the most recent legislation and legal procedures, along with the repercussions and obligations that arise from non-compliance. For the majority of courses, in conjunction with attending theoretical sessions, employees are typically expected to pass assessments that evaluate their level of comprehension and assimilation of knowledge. Furthermore, it is mandatory for employees of the Bank to attend yearly refresher training courses to their knowledge remains current.

In 2023: HDBank has mandated attendance at the following courses:



Anti-Bribery and Anti-Corruption



Anti-Money Laundering (AML)



Counter-Terrorist Financing (CTF)



Fraud Awareness

Furthermore, the Bank consistently underscores the significance of establishing and sustaining reciprocal information connections with affiliated parties, while actively engaging in dialogue and transparent information disclosure. By being proactive, HDBank not only demonstrates its accountability but also its commitment to furnishing customers, investors, partners, and stakeholders with complete and accurate information. Moreover, this is also HDBank's commitment to minimizing the risks of legal violations and safeguarding the Bank's and all stakeholders' interests.

HDBank employees are authorized and obligated to notify the Head Office of any breach or issue that impacts the Bank's compliance while performing their jobs. Furthermore, to ensure confidentiality, the Bank implemented the following channels for whistleblowing:



Communicate directly with the Grievance Officer at HDBank;



Complete and submit the grievance form to HDBank office;



19006060 hotline and



Send an email to info@hdbank.com.vn

to foster an environment where employees, business partners, and stakeholders feel secure in disclosing concerns regarding the presence of violations, without apprehension of retaliation or negative consequences. To enhance confidence in the Bank's dedication to business ethics and legal conformance, every report will be promptly and efficiently managed

A. Compliance with economic law

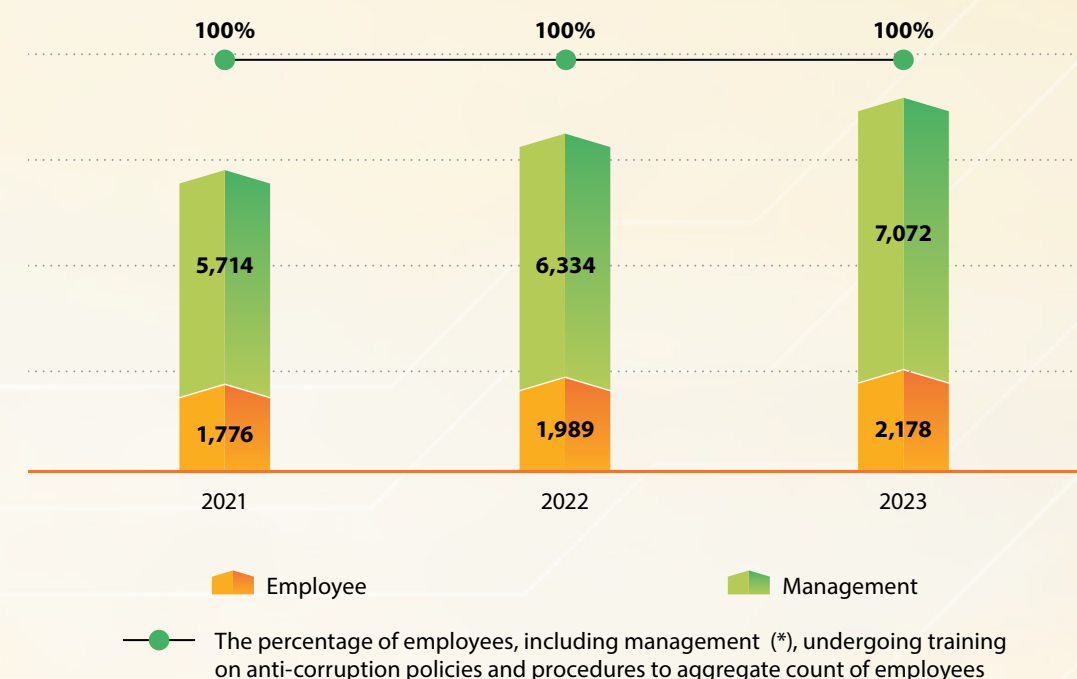
[GRI 205-1, GRI 205-2, GRI 205-3]

HDBank prioritizes adherence to economic regulations, with a particular emphasis on anti-corruption measures, in all of its business operations. In pursuit of establishing a robust framework for the Bank's integrity and transparency, HDBank is resolute in its adherence to anti-corruption regulations. By creating and executing explicit internal policies, as well as consistently applying preventative, detection, and corrective measures to all operations, the Bank unequivocally demonstrates this dedication. The Bank conducts periodic reviews of policies subsequent to their issuance to revise the policies, anti-bribery and corruption measures, employee codes of conduct, and penalties for violations of pertinent offenses to ensure relevance.

A significant component of reinforcing anti-corruption commitments is the compliance awareness among all HDBank employees. The Bank consistently imparts knowledge on professional ethics and cultivates anti-corruption awareness and capabilities among its entire workforce via comprehensive training sessions. The Bank's training sessions on the Anti-Corruption Regulations and the Plan to Implement Anti-Corruption, Negativity, and Crimes recorded a completion rate of 100% among personnel, including management, amounting to 9,250 individuals in 2023. New hires who did not participate in the 2023 training will be included in the 2024 program. Throughout the years, HDBank has diligently maintained the highest possible employee training ratio.

The aggregate count and percentage of employees, including management (*), undergoing training on anti-corruption policies and procedures to aggregate count of employees

Unit: Employee and %

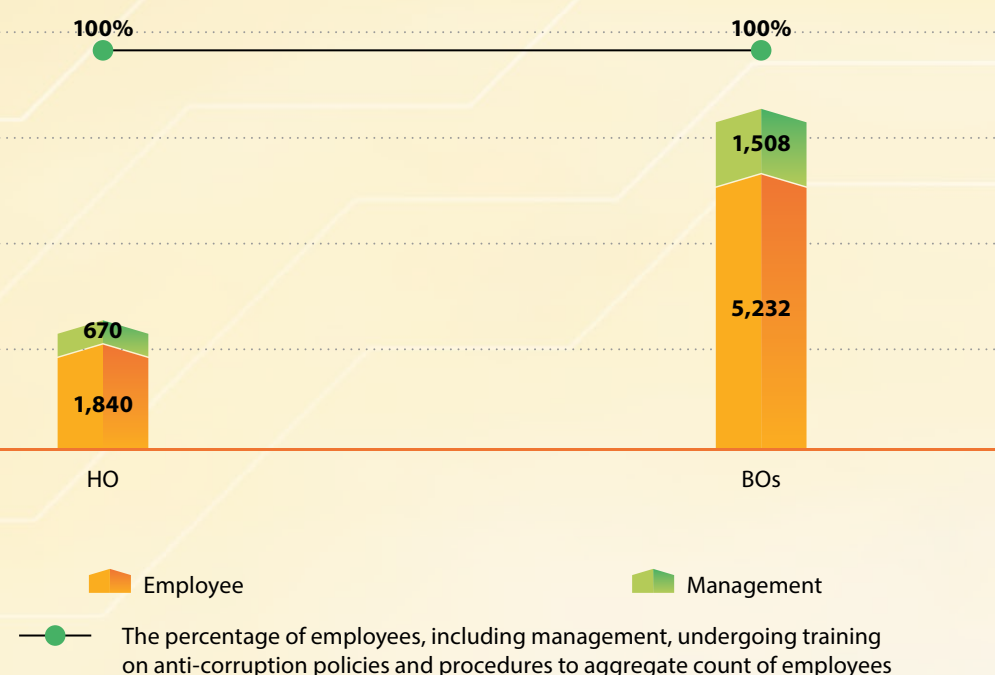


(*) The aggregate count of personnel, including management, undergoing training on anti-corruption policies and procedures is determined using Bank-wide statistics. Data are obtained directly from the list of those participating in the training

In 2023, all employees, including those in management positions, totaling 2,510 individuals at the Head Office and 6,740 individuals at business units, have successfully completed training programs focused on anti-corruption policies and procedures.

The aggregate count of employees, including management undergoing training on anti-corruption policies and procedures in 2023, by regions (*)

Unit: Employee and %



(*) The aggregate count of personnel, including management, undergoing training on anti-corruption policies and procedures in different areas is determined using Bank-wide statistics. Data are obtained directly from the list of those participating in the training in different areas.

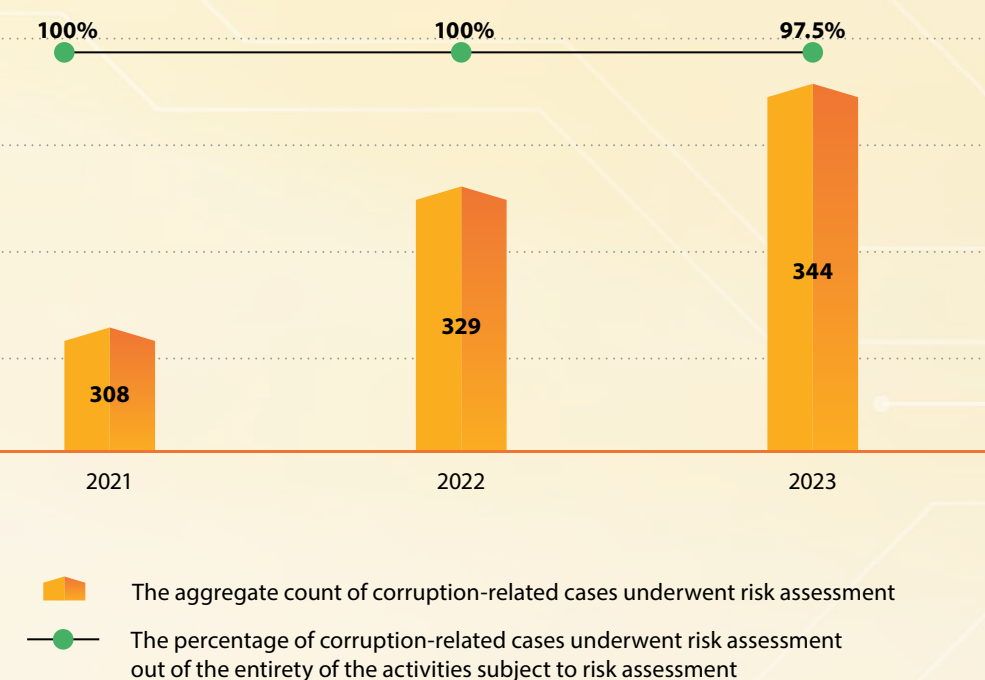
Furthermore, HDBank has established a specialized Steering Committee dedicated to the prevention of corruption, negativity, and crime, chaired by the Chief Executive Officer. Simultaneously, every branch within the Bank's system has established a dedicated Subcommittee, overseen by the Branch Manager, with the responsibility of facilitating the adoption of preventative measures against corruption risks starting at the lowest level.

Following the approved operating regulations set by the Board of Directors, the Steering Committee and Steering Subcommittees have provided guidance and supervision to employees in fulfilling their duties, detecting and preventing corruption and crimes, and ensuring strict

adherence to professional ethics and the law. Moreover, on an annual basis, risk assessments of the Bank activities are carried out by the Steering Committee and Steering Subcommittee, with a particular focus on ensuring legal compliance and upholding professional ethics. In particular, the number of activities evaluated for corruption-related risks at HDBank experienced a 4.6% uplift, rising from 329 in 2022 to 344 activities in 2023. Over the years, the proportion of corruption-related activities assessed out of the entirety of the activities subject to risk assessment has been consistently high, surpassing 97.5% in 2023, demonstrating the Bank's commitment and accountability in the fight against corruption.

The aggregate count and the percentage of corruption-related cases underwent risk assessment out of the entirety of the activities subject to risk assessment (*)

Unit: Employee and %



(*) The aggregate count and the percentage of corruption-related cases underwent risk assessment out of the entirety of the activities subject to risk assessment is determined using Bank-wide statistics. Data are obtained directly from the number of business units and units audited, inspected or monitored for corruption.

Furthermore, HDBank has implemented a number of significant transformation efforts to enhance the efficiency of its anti-corruption progress, including adopting a policy of disclosure and transparency in the detection and resolution of corruption cases. The Bank conducts rigorous evaluations when identifying such incidents and holds all parties involved accountable, including the Head of Unit, if the violation arises from the unit they manage. This procedure guarantees fair resolution for all violations and facilitates the communication of the outcome across the Bank. HDBank engages in internal communication and education for all employees for them to draw lessons from

these cases, thereby bolstering the Bank's culture founded on integrity and compliance and enhancing professional ethics. By means of its internal transaction oversight and stringent controls, the Bank identified 03 instances in 2023 in which employees abused their power to engage in embezzlement and the unauthorized use of funds for personal gain. In an effort to demonstrate zero tolerance for such conduct, the Bank terminated the contracts with the violating employees in addition to working closely with the police department, facilitating the provision of complete records and information that aided in the investigation and asset recovery procedures.

B. Compliance with environmental law

It is with great pride that HDBank declares no environmental incidents have occurred throughout the course of its business operations. Furthermore, HDBank has maintained a clean record with no instances of government agency sanctions for non-compliance with environmental impact management regulations. HDBank has maintained unwavering adherence to environmental protection regulations and laws throughout its extensive nearly 35-year history of establishment and growth.

In pursuit of green growth and with the commitment to attain net zero emissions by 2050, the Government has issued numerous Decrees, Directives, and Circulars that encompass environmental protection obligations. HDBank proactively revises these terms on a regular basis in alignment with its banking operations, ensuring that they are reflected in relevant business guidelines and strategies, and that the Bank operates with maximum economic efficiency. The green credit policy of HDBank, as well as any amendments and supplements, are consistently and expeditiously updated to align with legal obligations and the guidance of the Government of Vietnam. For more details, please refer to Material topic 3: Sustainable finance under Pillar 1: Governance.

Moreover, the publication of the Environmental, Social, and Governance (ESG) Policy in 2023 represents a significant turning point in the “greening” journey of the Bank. This serves as the foundation for establishing further regulatory frameworks, which include tackling and mitigating environmental concerns. HDBank has established a set of fundamental principles to formulate and implement environmental policies for the Bank, ensuring compliance with legal requirements.

HDBank guarantees adherence to all environmental protection regulations at all of its branches, offices, and transaction offices in provinces and cities nationwide, in relation to its business operations. Prior to establishing branches, offices, and transaction offices, the Bank always and timely completes all environmental registration procedures with regulators. Beyond mere adherence to legal requirements, the Bank actively suggests and executes numerous environmental initiatives, including

the promotion of energy and water conservation among all employees and the digitization of processes to reduce paper and ink usage. For more details, please refer to Pillar 2: Environmental.

Currently, HDBank exclusively utilizes wastewater discharge and treatment systems for leased buildings; the Bank does not operate or administer its own system. Nevertheless, starting from the very first days of contract execution, the Bank diligently oversees wastewater treatment to ensure that both the Investor and the Building Management possess the necessary capacity to adhere to the regulations outlined in the Law on Environmental Protection. The Bank maintains close coordination with local environmental management authorities to conduct inspections and provide systematic and trustworthy environmental impact monitoring reports.

Furthermore, HDBank established a Quick Response Committee with the objective of expeditiously addressing any grievances, feedback, or denunciations lodged by customers or members of the local community regarding potential risks or impacts of the Bank’s operations on the environment and society. The objective of this endeavor is to enhance the Bank’s capacity to prevent environmental law violations while proactively addressing unforeseen incidents.

C. Compliance with social law

HDBank, acknowledging its roles and responsibilities in supporting societal development, not only maintains a compliance-oriented stance but also actively engages in efforts to promote the legal framework. HDBank emphasizes transparency and fairness for all stakeholders—including shareholders, investors, customers, and employees—in the environmental, social, and governance (ESG) policies issued and implemented at the beginning of 2023 by the Bank. Furthermore, in support of HDBank’s Green Banking and Sustainable Development strategy, the policies explicitly stipulate minimum requirements of every stakeholder. The Bank reaffirms its commitment, as evidenced by the absence of any instances in which it has contravened legislation pertaining to human rights or society. HDBank not only ensures full adherence to legal requirements but also actively participates in the development and enhancement of the legal framework, ensuring relevance to the operations of commercial banks. Additionally, HDBank’s legal work is continually oriented toward achieving the dual objectives of assuring adherence to legal regulations and create more competitive advantages for the Bank’s operations.

Particularly with regard to human rights issues such as consumer and labor rights and personal data protection, HDBank places emphasis on the development and implementation of policies to ensure comprehensive safeguarding of the interests of customers, employees, shareholders, and investors. In addition to the Environmental, Social and Governance (ESG) Policy mentioned above, HDBank adhere to other notable regulations, including:

- **The Cybersecurity Framework** developed by the National Institute of Standards and Technology (NIST). For more details, please refer to Material topic 5: Advancement of digital transformation and data security under Pillar 1: Governance;
- **Policies for anti-discrimination and mechanism facilitating the report and address of grievances** to safeguard employees’ rights. For more details, please refer to Material topic 3: Ensure employee’s welfare and compensation under Pillar 3: Social;
- **The Code of conduct governing customer interactions.** For more details, please refer to Material topic 4: Value creation to customers under Pillar 3: Social

4.5 ACTIVITY/PROGRAM HIGHLIGHTS

❖ Anti-money laundering

In pursuit of a transparent, healthy, and reliable banking environment, the implementation of anti-money laundering (AML) activities has been prioritized and promoted across all levels of HDBank's organization.

To ensure compliance with the constant changes of state legislation, HDBank actively and consistently revises its internal policies and regulations to ensure alignment with the latest provisions of AML circulars and decrees. These policies also serve as a basis to provide employees with specific guidelines and measures to identify and address money laundering-related challenges, particularly those associated with foreign transactions, high-value transactions, and suspicious business activities.

Given HDBank's view of AML as an ongoing process requiring change management and continuous monitoring, the Bank implements measures that go beyond legal compliance to further underscore the imperative of integrating these policies into its day-to-day operations, thereby fortifying the financial system against illegal activities.

Recognizing the importance of early detection and prevention of money laundering risks, the Bank rigorously and consistently promotes and enforces customer identification measures. Prior to opening an account for each new customer, the Bank consistently conducts a thorough customer due diligence procedure, which includes verifying customer identity, source of assets, and the purpose of transactions, while ensuring that all customer information is complete, accurate, and aligned with the provisions of the Law on Anti-Money Laundering. For customers identified as posing a high risk of money laundering or engaging in transactions with entities on the Financial Action Task Force (FATF) Blacklist, the Bank implements stricter transaction monitoring, periodic

reviews, and mandatory approval from higher senior management before establishing business relationships with or opening accounts for these customers.

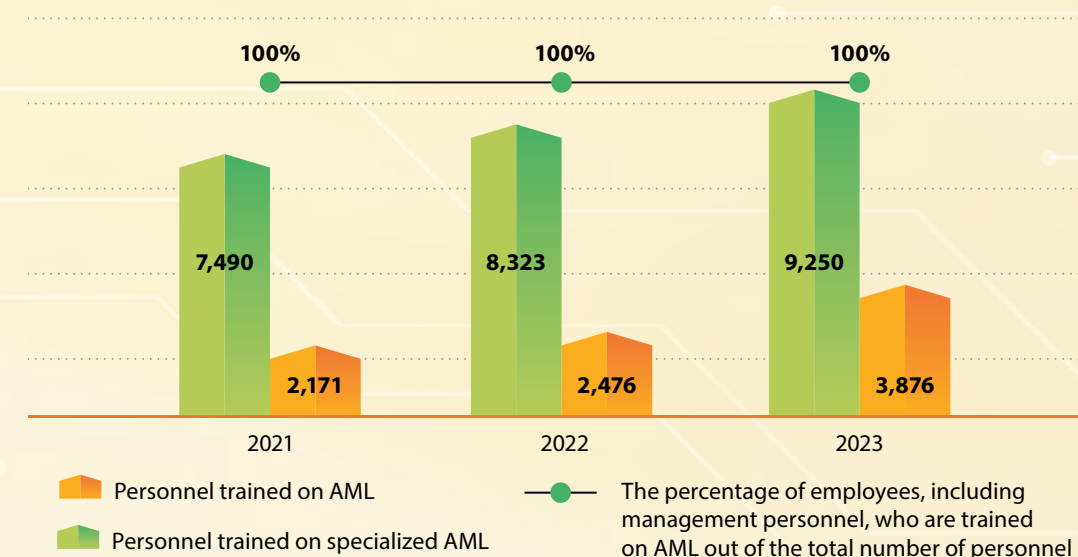
HDBank further strengthens its transparency and reliability through timely and comprehensive reports to regulatory authorities. The Bank conducts at least 02 annual AML reviews, audits, and reports for submission to the State Bank of Vietnam (SBV) and strives to carefully keep records and promptly report all AML-related information, especially those on suspicious transactions, according to applicable laws. Any challenges or issues encountered during this process are promptly escalated to the State Bank of Vietnam, the Anti-Money Laundering Department, the Vietnam Banks Association, and other competent authorities to develop solutions that comply with relevant regulations.

HDBank also focuses on training its staff to raise their awareness and equip them with the necessary knowledge to identify and address complex issues related to money laundering. These training courses are designed to ensure that staff members are well-versed on detection techniques and are able to propose appropriate regulatory actions.

Throughout the years 2021 to 2023, all employees, including those at management levels, received AML training. Employees and management personnel whose roles involve money, assets, and anti-money laundering tasks were also provided with specialized training on AML. In 2023, a total of 3,876 employees, including management personnel, received specialized AML training, representing a 57% increase from 2,476 employees in 2022. New recruits who did not receive training in 2023 will continue to undergo training in 2024.

The total number and percentage of employees, including management personnel (**), who are trained on AML policies and procedures (***)

Unit: Employees and %



(***) The total number of employees, including management personnel, who are trained on AML policies and procedures, is calculated based on Bank-wide statistics. This data is measured directly from the list of training participants.

Achievements

Với sự chú trọng vào công tác phòng chống rửa tiền cùng nhận thức rõ ràng rằng đây là yếu tố cần thiết đối với sự ổn định và uy tín của hệ thống tài chính, HDBank tự hào không phát sinh bất kỳ vụ kiện tụng pháp lý, đơn thư khiếu nại hay sự vụ phát hiện nào liên quan đến rửa tiền trong những năm qua.

4.6 FUTURE ACTIONS

HDBank will remain steadfast in reinforcing its commitment to regulatory compliance, including updating internal policies, restructuring workflows, and strengthening internal controls to ensure alignment with the new legal provisions, particularly those outlined in the Law on Credit Institutions recently passed by the National Assembly, which will come into effect on July 1, 2024.

The Bank will also further expand its training courses to all levels of employees, from management to frontline personnel, to ensure they possess a clear understanding and can swiftly adapt to changes in legal regulations.

4.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



5. MATERIAL TOPIC 5:

DIGITAL TRANSFORMATION AND DATA SECURITY

5.1 GOVERNANCE PERSPECTIVE

As part of its 2021-2025 development strategy, HDBank has identified one of its strategic objectives as becoming a leading bank in digital adoption, digital banking development, fintech, and more, while continuing to provide a diverse range of increasingly convenient and top-quality financial products and services to become the people's bank of choice – the Happy Digital Bank.

To achieve enhanced operational efficiency and customer experience, HDBank has been accelerating its end-to-end digital transformation journey, from operational, reporting, and administrative processes to digitalization of customer journeys and digital platforms for products and services.

HDBank has also consistently prioritized data and system security and synchronously implemented regulations, policies, procedures, and plans to ensure continuous and seamless operations in accordance with applicable laws, internal regulations, and international standards.

5.2 OBJECTIVES & DIRECTION

- HDBank aspires to become the Happy Digital Bank, a leader in modern technology adoption and the robust development of multi-functional digital banking products and services that deliver practical value to society and achieve widespread market adoption.
- The Bank aims to accelerate digital transformation across all operational aspects, paving the way for the Bank's robust integration in the digital era, evolving from a multichannel to an omnichannel business model on online platforms to drive stronger growth in retail. The digitalization of customer journeys will also be completed in line with HDBank's digital transformation strategy.
- HDBank will also ensure the comprehensive and optimal implementation of system safety, information

security and privacy protection for individuals and organizations involved in transactions with HDBank, aligning with both the Bank's legal regulations and international practices.

5.3 STRATEGIC ACHIEVEMENTS

The number of new customers acquired through digital channels in 2023 witnessed a

125% increase

By the end of 2023, 93% of customer transactions were conducted via digital channels, an increase from nearly 88% as of the end of 2022. For the first time, the number of new customers acquired through digital channels surpassed that of traditional channels.

The number of retail customers exceeded 4.2 million by the end of 2023, marking a

27% increase compared to 2022.

E-banking channels experienced a surge in transaction volume with a

132% increase compared to 2022.

The number of customers performing transactions via e-banking channels also surged by 86% compared to 2022. By the end of 2023, 93% of all customer transactions at HDBank were conducted via digital channels.

HDBank has officially launched the sales management system,

Happy Digital Sales,

in 2023

HDBank received

3 awards

for Digital Transformation by the Vietnam Wealth Advisor Summit 2023 (VWAS 2023) and Global Brands Magazine.

HDBank was awarded the

“Digital Innovation”

award by the ASEAN Business Advisory Council.

HDBank is the first Vietnamese bank to be awarded the

ISO 20000

international certification from the British Standards Institution (BSI).

5.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Accelerate digital transformation

Since 2020, HDBank has established the Digital Transformation Center (DTC) and invested in technology and human resources dedicated to the end-to-end digital transformation of customer journeys and operational tasks, thereby driving customer data analysis and digital business programs.

In 2023, HDBank established its Digital Bank through the restructuring of the Bank's Retail Banking Division, Card Center, Digital Transformation Center, and Application Development Center to expedite the digital transformation of existing retail banking activities and enhance the efficiency of developing new products and services for digital channels.

Since then, HDBank has successfully executed a series of key bank-wide digital transformation projects, from digitizing customer journeys, developing front-end technology-integrated products and services, and automating back-end operational processes and internal administration.

Please see “Value creation for customers” section for more information of digital products and services for enhanced customer experience.

✦ Adopt technology in operational and reporting processes

Guided by its direction of end-to-end business digital transformation, HDBank has adopted Robotic Process Automation (RPA) technology, thus paving the way for process hyperautomation. By actively integrating RPA into its internal processes, resource allocation is, therefore, optimized, resulting in a shift of focus towards tasks that yield greater value. Since 2021, HDBank has successfully automated over 100 operational processes, contributing to reducing employee daily workload. In 2023, HDBank completed the automation of a series of processes, most notably:

- The Bank's credit card installment payment process has been successfully automated on its mobile application, providing retail customers with convenience and flexibility in card transactions and generating nearly VND 700 billion in revenue from installment conversions for the Bank since its launch to the end of 2023.
- HDBank launched the automatic process of opening a checking account that is linked to HD SAISON. Upon initiating loan transactions with HD SAISON, a HDBank account will be automatically created for customers to receive disbursement funds. Since the implementation of this automated process, HDBank has witnessed a daily average of over 2,000 new customer accounts being opened.

In addition, HDBank has continued to implement robotic assistants (akaBot) to achieve operational system hyperautomation, thus advancing towards achieving the target of 200 akaBots.

HDBank has also adopted the Power BI tool in the reporting process to facilitate dashboard-based data visualization for its management to easily track and analyze changes in the Bank's operations. This in turn allows the management to deliver timely assessments and reminders to their employees and come up with effective business decisions. Among the total 88 dashboards developed last year, some of the most notable ones include:

- Dashboard for monitoring metrics related to priority customers
- Dashboard for monitoring operational indicators on the mobile banking application
- Dashboard for monitoring payment deposits
- Dashboard for insurance business operations

HDBank's operational digital transformation initiatives have also yielded positive impacts on the use of printing paper and ink. (Please see “Optimize resource utilization” and “Minimize environmental impacts” sections for more details).

❖ Establish a digital workspace

▶ Adopt digital technology in human resource management

HDBank has also undergone end-to-end digitalization of its operations and human resource management, leading to more synchronized bank-wide information management and contributing to an enhanced experience for employees.

In terms of human resource management, HDBank has launched the “People HDBank” application that provides comprehensive features for employee management and performance evaluation, thus enhancing the effectiveness of human resource management and enabling an automated, scientific, and objective approach to performance tracking anytime and anywhere.

▶ Adopt digital technology in work communication and training

In line with by its direction of end-to-end operational digital transformation, HDBank has implemented powerful tools such as “Workplace”, “Workplace Chat”, and “E-Learning” to integrate technology into daily communication and training.

The “Workplace” tool serves as the official internal communication channel for the Bank’s staff and functions as a mini-social network that facilitates increased bank-wide interaction and connection. It also serves as a powerful tool for internal communication of the Bank’s new programs, events, campaigns, and features to the entire workforce, ensuring that they can communicate the most up-to-date information about the Bank’s offerings to customers.

Moreover, the implementation of the “Workplace Chat” tool has facilitated the seamless exchange of work-related information, contributing to the cultivation of a digital-based banking culture.

The “E-Learning” training system has also been implemented in conjunction with traditional training methods, offering employees the convenience of flexible study locations and schedules to accommodate their daily workload.

❖ Build personnel digital transformation capabilities

Recognizing that human capital is a key determinant of digital transformation outcomes, HDBank has actively

cultivated its digital culture through information technology training for its business units.

As part of the Information Technology Training Project, HDBank organized an information security awareness training program for its entire workforce in 2023. In 2024, the Bank will organize more training courses on Cloud Computing, Information Technology Services, Agile approach in digital transformation projects, Digital Product Management Methods, Software Development Processes, and Information Security Awareness to cultivate the Bank’s digital culture and capabilities for the entire workforce.

❖ RFM machine-learning model for customer analysis and segmentation

Beyond internal operational digital transformation initiatives, HDBank has also undertaken numerous big data projects driven by the RFM model (Recency - Time of most recent purchase, Frequency - Frequency of customer purchases, Monetary - Transaction value of each customer purchase) to support effective business decision-making.

Based on historical transaction data, the model analyzes and segments customers based on their purchasing behaviors, which provides insights into customer behaviors and allows predictions of future consumption trends. As a result, this model enables the Bank to direct resources to potential leads and develop sales strategies and products tailored to customer needs, thereby boosting conversion and cross-selling across business units.

The RFM model has been adopted by HDBank across the following key activities:

- Marketing: the model facilitates customer behavior analysis, enabling the Bank to personalize product and service recommendations for higher conversion rates;
- Sales: by analyzing input data, including data on demographic characteristics and financial behaviors, the model helps tellers recommend 2-3 suitable options for customers from hundreds of products. The model also supports the development of customer retention strategies by analyzing customer consumption patterns.

❖ Transform sales workflows through digital adoption

HDBank consistently engages in research and development to create digital products for sales management. In 2023, the Digital Transformation Center successfully launched the Happy Digital Sales application. As HDBank’s new centralized sales management system, this application

serves as a powerful tool for the sales team by optimizing and streamlining their workflows through the following features:

- Managing and tracking lead history based on the sales funnel model;
- Real-time viewing of statistical reports on the number of leads being processed;
- Managing KPIs and personal goals;

- Searching comprehensive and up-to-date information on existing products;
- Accessing profile information/current product usage of existing customers to support multichannel cross-selling.

Happy Digital Sales enables the business team to effectively connect customers with HDBank’s offerings and conveniently manage sales performance. The application is now available on both App Store and Google Play and will be officially implemented synchronously across the Bank in 2024.



❖ Enhance the Customer 360 tool

Following the successful implementation of the comprehensive Customer 360 customer analysis system in 2022, the Information Technology & Digital Banking Division introduced new features in 2023, including money transfers, deposits, withdrawals, and account openings via the Customer 360 tool for both new and existing customers, thereby optimizing processing time for tellers.

Notably, the introduction of custom account number functionality for account opening, which allows customers to choose their desired account number, has reduced processing time from approximately 15 minutes to around 5 minutes. Customer 360 also streamlines complicated approval processes for controllers with the function of withdrawals beyond standard limits, reducing processing time to just 1 minute for retail customers and about 2 minutes for commercial customers.

❖ Integrate AI into consultation and customer service processes

For customer consultation, HDBank has implemented and continuously refined its Chatbot and Voicebot systems to answer customers’ inquiries. The most widely used chatbot is the one on Facebook Messenger, which allows customers to interact with it to obtain information about opening new cards, applying for online loans, depositing online savings, and opening new accounts online. On FPT Cloud - a platform dedicated to HDBank, the Voicebot AI infrastructure, designed to handle up to 500 calls simultaneously, is currently being tested. By implementing Chatbot and Voicebot technologies, the volume of simple calls which do not require human consultation has been substantially reduced, resulting in significant decrease in the Bank’s operational costs.

Alongside initiatives to streamline and digitalize consultation and sales processes, over the past year, HDBank has introduced numerous offerings designed to improve customer journeys, thereby enhancing customer experience. Please see “Value creation for customers” section for more details.

B. Cybersecurity and data security

[GRI 418-1]

❖ Cybersecurity and data security in the digital era

Amid the global trend of rapid digital transformation, data security and safety have become increasingly critical for all financial institutions. Recognizing these challenges early on, HDBank has identified one of its ongoing priorities is to ensure information and data security along with seamless and stable system operations.

To this end, three key factors critical to maintaining system, data, and information security have been identified, including people, processes, and technology. As each of these share equal importance, HDBank has introduced practices for perfecting and standardizing each factor, including:

Human factors in cybersecurity and information security

To ensure that personnel are fully equipped with the necessary knowledge and technological skills, the Training Center, in collaboration with the Quality Management & Security Compliance Department of the Information Technology & Digital Banking Division, organizes annual training for all newly recruited and existing employees across all business units to raise awareness and ensure compliance with information security requirements. With the aim to ensure accurate and comprehensive awareness of cybersecurity and information security bankwide, contents on information security and customer data management are regularly disseminated through internal communication channels such as Workplace and MIS.

For core personnel in information technology and digital transformation, stricter standards are applied to ensure their professional expertise in cybersecurity. 80% of HDBank's information technology staff hold at least 1 information security certification from prestigious organizations such as EC-Council and ISC2. Dedicated personnel further enhance their cybersecurity knowledge through online training and practice platforms, SBV-organized courses, etc.

Cybersecurity and information security control processes

As the foundation of effective cybersecurity control and data management, processes play an equally important role alongside human factors. HDBank has fully and synchronously developed and introduced a system of regulations, policies, and guidelines to ensure cyber, data, and information security in line with the Government's and SBV's current regulations and international practices.

► Maintain compliance with evolving legal frameworks

HDBank consistently monitors the changes in the legal framework regarding information security, cybersecurity, and personal data protection specific to the Vietnamese banking sector, which enables the Bank to promptly adapt to changes and updates within the regulatory landscape. Upon the issuance of Decision 2345 of the State Bank of Vietnam on safety and security solutions for online and card payments, and Decree 13/2023 of the Government on personal data protection, the Risk Management Division proactively collaborated with relevant departments in the Bank's digital transformation to assess the gaps between these new regulations and HDBank's existing operational processes. Based on the assessment, corresponding action plans were formulated to integrate changes into existing business processes, ensuring full compliance with the new regulatory requirements.

► Implement comprehensive risk management for IT systems and information security across the Bank

HDBank has established key risk indicators (KRIs) categorized by the information technology system and information security to assess the performance of risk controls for critical IT-related operations. These indicators are regularly measured by their respective owners in collaboration with the Operational Risk Management Department of the Information Technology & Digital Banking Division, which allows the Department to provide relevant management levels with periodical KRI reports to promptly devise action plans to bring the KRIs back within acceptable thresholds as soon as possible. In 2023, HDBank experienced neither disruptions nor cyberattacks that significantly impacted its bank-wide information technology infrastructure.

► Assess information technology risks in outsourcing activities

In a growing digital landscape, where reliance on technology and transaction volume are experiencing exponential growth, selecting information technology system providers has become a critical matter for digital banks. Therefore, HDBank comprehensively assesses security criteria when selecting new providers and periodically reviewing existing ones.

The Bank collects information from multiple sources and gives scores based on criteria such as incidents of information leakage, misuse of bank data, and unauthorized access or modification of information technology systems, etc., which inform decisions on whether to choose, continue, or terminate a partnership with a provider. Units with information technology expertise, such as the Information Technology & Digital Banking Division, actively participate in reviewing and approving outsourcing projects, including IT infrastructure, technical approaches, and services. These units also guide other units to identify potential IT risks from outsourcing activities.

► Enhance data management processes

In 2022, HDBank partnered with a leading consulting firm to undertake a data management consulting project, which provided recommendations on organizational structure and reporting methods to enhance data management efficiency and security. Currently, HDBank is actively integrating these recommendations into its existing regulations and policies.

Enhance technological capabilities

Since 2019, the Bank has successfully transitioned to the ISO/IEC 27001:2013 information security management systems. The ISO/IEC 27001 standard establishes requirements for information management systems, which serve as a fundamental framework to help the Bank protect its information and data from potential risks. Achieving ISO 27001 certification has laid the foundation for the Bank's strict management and control of information security in line with international standards.

Furthermore, since 2019, HDBank has adopted the U.S National Institute of Standards and Technology (NIST) Cybersecurity Framework, which provides a systematic approach with 6 core functions to help businesses effectively manage cybersecurity risks.

In 2023, with the support of an ISO consulting agency, HDBank became the first bank in Vietnam to be awarded the ISO/IEC 20000-1:2018 international certification for Information Technology Service Management by the British Standards Institution (BSI). This achievement marks a significant milestone in the quality of HDBank's Information Technology Service Management (ITSM) and recognizes its unwavering efforts to improve and maintain a secure and effective banking environment. The ISO/IEC 20000-1:2018 certification outlines requirements for establishing, implementing, maintaining, and continually improving an ITSM system. The fulfillment of these requirements helps unify and align three critical factors, including people, processes, and technology, thereby supporting the realization of business goals.

CYBERSECURITY FRAMEWORK



Looking ahead, the Information Technology and Digital Banking Division plans to implement ISO/IEC 27701, an international standard that provides a comprehensive framework for privacy information management with a strong focus on personal data protection. By adopting this standard, HDBank can ensure its compliance with the Government's requirements and relevant laws on personal data protection.

5.5 ACTIVITY/PROGRAM HIGHLIGHTS

✦ Streamline the appraisal process through digitalization and successfully deploy the C-LOS and R-LOS systems

In pursuit of establishing a Happy Digital Bank, HDBank continues to execute digital transformation and automation projects, particularly within its fundamental credit-granting operations. Last year, HDBank successfully completed a project to replace the traditional loan origination system by digitizing the appraisal process as part of its banking operations for both commercial customers (C-LOS - CreditLens Loan Origination System) and retail customers (R-LOS - Retail Loan Origination System). These efforts align with the SBV's Decision 810 on the Plan for Digital Transformation of the Banking Sector by 2025 with orientations towards 2030 and Circular No. 06/2023 supplementing the Regulations on Electronic Lending.

The C-LOS and R-LOS systems provide solutions for customer information disclosure, appraisal, and approval, offering the following advantages:

Pros of the C-LOS:

- Reduced data entry time for credit applications, reports, and approvals with 38% of data automatically synchronized from other systems of the Bank;
- Pre-installed metrics and models for automated customer evaluation and analysis;
- Enhanced data security through role-based access control (RBAC) for information and functionality access;
- Digitalized customer information in the form of complete data sets for easy retrieval of information.

Pros of the R-LOS:

- Dedicated to handling multichannel customer reception and screening along with quick or automated decision-making;
- Reduced manual data entry time and automated document generation for reports, minutes, contracts, etc.

The C-LOS and R-LOS systems were both deployed in 2023, with the C-LOS system currently in the testing phase and expected to go live in May 2024. Automation will help the Bank simplify processes, shorten appraisal times, reduce costs, thereby improve net interest margins and enhance competitiveness in the 4.0 era

✦ Upgrade the core banking system

In 2022, HDBank entered into a partnership agreement with Thought Machine, a leading supplier of core banking solutions to globally leading banks such as JPMorgan Chase, Lloyds Banking Group, Intesa Sanpaolo, and Standard Chartered. In 2023, HDBank and Thought Machine officially launched the Digital Core Thought Machine project to replace the current core banking solution and set a new standard for modern, future-proof core banking technology.

HDBank selected Vault Core, which is Thought Machine's core banking platform renowned for its high flexibility and control in designing new financial products. The core banking system, considered the heart of the Banking system, is responsible for managing all customer information and transactions. Most internet banking systems, ATMs, loans, savings, cards, etc., are currently being handled by the core banking system. This ensures swift and 24/7 processing of banking transactions initiated through any application.

With a new centralized database and scalable infrastructure which can handle rapid customer growth, the upgraded core banking system will not only ensure stable operations, data security, and lower systemic risks for HDBank but also meet the demand for developing new products and services on digital platforms.

Given the project's substantial workload and urgency, HDBank established a steering committee in 2023 to ensure effective implementation and timely completion.



In November 2023, HDBank officially launched the Digital Core Thought Machine Project - a leading new generation core banking solution in the world.

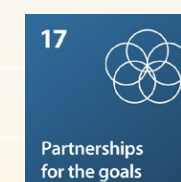
5.6 FUTURE INITIATIVES

To achieve the goal of becoming a Happy Digital Bank and a leader in the digital transformation of the Vietnamese banking industry, in the time to come, HDBank will continue to:

- Digitalize all workflows to facilitate reporting, data management, and human resource management;
- Deploy advanced core banking upgrades;
- Pioneer innovation in digital services and solutions;

- Continuously update on changes in legal frameworks related to cybersecurity and information security and closely monitor information technology risks;
- Gradually transition to the ISO/IEC 27001:2022 Information Security Management Systems;
- Implement ISO/IEC 27701 standard on information security management and personal data protection.

5.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



B. PILLAR 02

ENVIRONMENTAL

1. MATERIAL TOPIC 1:

RESOURCE OPTIMIZATION

[GRI 301-1, 302-1, 302-3, 303-1]

1.1 GOVERNANCE PERSPECTIVE

HDBank has long recognized the escalating challenges posed by the diminishing availability of essential resources such as energy, water, air, and forests. Driven by a commitment to environmental responsibility and future generations, HDBank not only provides sustainable financial products and services but also actively champions green transformation and the adoption of sustainable development criteria throughout its operations. Resource management is prioritized to ensure preservation, efficient utilization, and waste minimization. Every decision within the Bank is guided by the principle of creating sustainable value and a better future.

The message of responsible resource use and conservation is consistently reinforced through various activities and events. These include internal green initiatives like the Green Award competition, the implementation of the 5S methodology (Sort, Set, Shine, Standardize, and Sustain) in daily workspaces, and ongoing internal communication efforts. Furthermore, HDBank extends this message to the wider community through educational workshops, empowering participants to adopt more sustainable lifestyles and fostering positive changes in their resource consumption habits and awareness.

1.2 OBJECTIVES & DIRECTION

HDBank conserves and optimizes resource utilization by enhancing the efficiency of energy, water, and raw material usage across bank-wide operations, while also increasing investments in technology and innovation through embracing digital transformation to minimize resource consumption and reduce negative environmental impacts.

1.3 STRATEGIC ACHIEVEMENTS

Energy consumption per employee in 2023 was

1.3 Gigajoules/person;

The paper consumption rate per employee decreased by

8,6%

compared to 2022, attributed to the strong digital transformation in banking operations.

1.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Energy management

Effective energy consumption management is a cornerstone of HDBank's sustainable development strategy, focusing primarily on two main sources of energy: gasoline for its transportation fleet and electricity for building operations.

✦ Gasoline

The Bank's vehicle fleet, used for cash-in-transit operations and employee business trips, relies on gasoline as its energy source. To ensure efficient gasoline consumption, HDBank has established and strictly complies with internal policies and regulations on vehicle use. Each request for vehicle use and the supporting documentation,

such as cash-in-transit orders or employee business trip authorizations, are reviewed and approved by the relevant authority to verify the legitimacy and necessity of each trip. Fuel consumption for all transportation vehicles within the HDBank system is also monitored, reviewed, benchmarked against predefined fuel consumption limits, and reported monthly.

Moreover, HDBank optimizes the schedules and routes of its vehicle fleets through the Vehicle Operations Center's management system. HDBank assigns specific schedules and planning for all fixed routes through meticulously conducted field surveys and dedicated route management software to determine the shortest and least congested paths. GPS systems are integrated to measure actual travel routes, thus minimizing unnecessary driving and reducing fuel consumption.

HDBank also focuses on periodic inspections and maintenance of its transportation vehicles to ensure optimal performance and minimize fuel consumption. Furthermore, the Bank conducts annual reviews and evaluations of its entire vehicles to promptly replace old models with substandard fuel consumption.

✦ Electricity

As the second main energy source, electricity used by HDBank is supplied through the electricity grid of Vietnam Electricity (EVN) and from rooftop solar power systems installed across the Bank's buildings. Electricity is used to meet all operational needs, from lighting and air conditioning to system and equipment operations.

In recent years, HDBank has made significant upgrades aimed at sustainable operations and enhancing energy consumption efficiency. One key initiative involves optimizing the Bank's equipment usage by reviewing and adjusting equipment operating schedules to ensure that equipment only operates when necessary.

For lighting, the Bank leverages natural light within its buildings to reduce reliance on artificial lighting. Automated lighting systems are also installed to turn off advertising signs when natural light is sufficient.

For the air conditioning (AC) system, the central AC system is programmed to shut off automatically after 6:00 p.m. on working days. Requests for after-hours or weekend AC use require approval to minimize unnecessary energy consumption. Most of HDBank's AC systems utilize energy-saving inverter technology and undergo regular maintenance as per supplier technical specifications.

Furthermore, the AC temperature is consistently set between 26 to 28 degrees Celsius to optimize electricity usage. The central cooling system is also zoned to facilitate ease of regulation and ensure optimal performance. Additionally, HDBank employs a digital system to reduce printing needs and the time staff spends on business operations, which in turn saves energy consumed by printers, photocopiers, and computers.

✦ Head Office's 2023 energy consumption

The year 2023 marks the third year of HDBank's 5-year development plan (2021-2025). To accommodate the significant growth in its business activities over the past year, HDBank's Head Office departments have intensified their efforts to ensure uninterrupted and effective system operations. HDBank has also expanded operations across all floors of its Head Office to support an 11.7% increase in its workforce compared to 2022. Consequently, HDBank Head Office's total energy consumption rose to 17.2 terajoules (TJ) in 2023, representing an 18.7% increase from 14.5 TJ in 2022. The energy intensity per employee

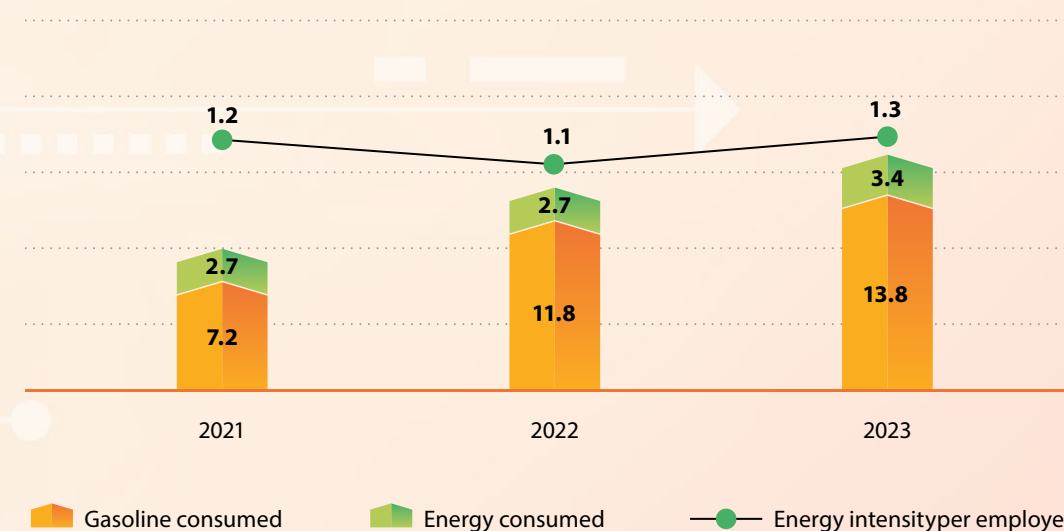
reached 1.3 gigajoules per person in 2023. HDBank's team strived to achieve exceptional business results, which subsequently drove up the energy consumption required for the Bank's operations.

In 2023, gasoline consumption accounted for the majority (80.3%) of HDBank's total energy consumption, marking a 16.8% increase from 11.8 TJ in 2022 to 13.8 TJ in 2023. These figures reflect the Bank's increased business trips, appraisal activities, and cash-in-transit operations driven by its commitment to exceptional customer service.

Electricity consumption comprised the remaining 19.7% of HDBank's 2023 energy consumption, witnessing a 27.1% increase from 2.7 TJ in 2022 to 3.4 TJ in 2023. This upward trend in electricity consumption reflects the Bank's growing business, which includes the expansion of products and services and the implementation of new investment projects, resulting in an increased workload to be handled. Consequently, the use of electronic equipment, machinery, and lighting to support extended working hours increased, leading to a corresponding rise in electricity demand. This also explains the slight increase in energy consumption per employee compared to 2022.

Total energy consumption⁽¹⁾ (terajoules) and intensity per employee⁽¹⁾ (gigajoules/person)

Unit: Terajoules and gigajoules/person



⁽¹⁾ Energy consumption and intensity are calculated based on HDBank Head Office statistics. These data are estimated based on the total accrued accounting costs and the average unit price throughout the year.

B. Water management

Due to the service-oriented nature of its office operations, HDBank relies solely on municipal tap water as its water source. Water consumption is primarily for the staff's essential needs, such as personal hygiene and washing drinking utensils.

HDBank consistently adopts a purposeful and economical approach to water usage. The Bank advocates for the adoption of water-saving devices, such as automatic faucets and pressure-assisted toilets, throughout its buildings whenever replacements are needed. It also consistently takes the initiative to inform and propose to the Building Management Board to conduct regular inspection and maintenance of shared water systems and water-using fixtures (faucets, toilets, etc.) to minimize water waste through timely leak detection and repair.

C. Paper management

As a commercial bank, HDBank relies heavily on paper for day-to-day operations and business activities. Paper is primarily used in transaction processing and customer service to prepare necessary contract documents or other paperwork. In addition, HDBank also uses paper for marketing and advertising activities to print flyers, brochures, posters and other publications to promote its products and services.

In an effort to help minimize pressure on natural resources, HDBank has selected saving paper as a central plan to be implemented across all activities by all of its business units. In recent years, HDBank has implemented various drastic measures to reduce paper consumption, particularly the application of digitalization in various activities. For example, HDBank uses iPaper, a digital signature software, to enable efficient processing, storage and control of text-based information in electronic file format, while facilitating direct document approval and issuance using digital signatures within the software system, eliminating the need for physical copies. HDBank also encourages the use of the online meeting system. Meeting materials are now stored and presented electronically, replacing the previous practice of printing and distributing hard copies.

Additionally, HDBank also focuses on encouraging customers to adopt e-banking products and services and online utility applications. Customers can access a wide range of banking services and conduct various transactions online, including opening a payment account, purchasing bonds, exchanging foreign currency and gold,

signing electronic contracts, using online credit services (eRequest), and even submitting complaints and inquiries on the website anytime, anywhere, without the hassle of traditional paperwork. The adoption of digital technology in the Bank's operations has brought about positive changes, particularly in reducing the amount of printed documents involved in customer transactions. Due to the transition from a paper-based system to a digital platform, contracts, archived documents, money transfers, account openings, and other documents are also digitized, not only reducing the need for printing and storage of physical copies but also enhancing data security and minimizing the risk of document loss or damage. By adopting these measures, the Bank not only streamlines its workflows but also contributes to environmental protection by reducing paper waste and conserving natural resources.

For detailed internal information on digital transformation and customer journey digitization, please refer to Material topic 5: Advancement of digital transformation and data security under Pillar 1: Governance and Material 4: Value creation for customers under Pillar 3: Social.

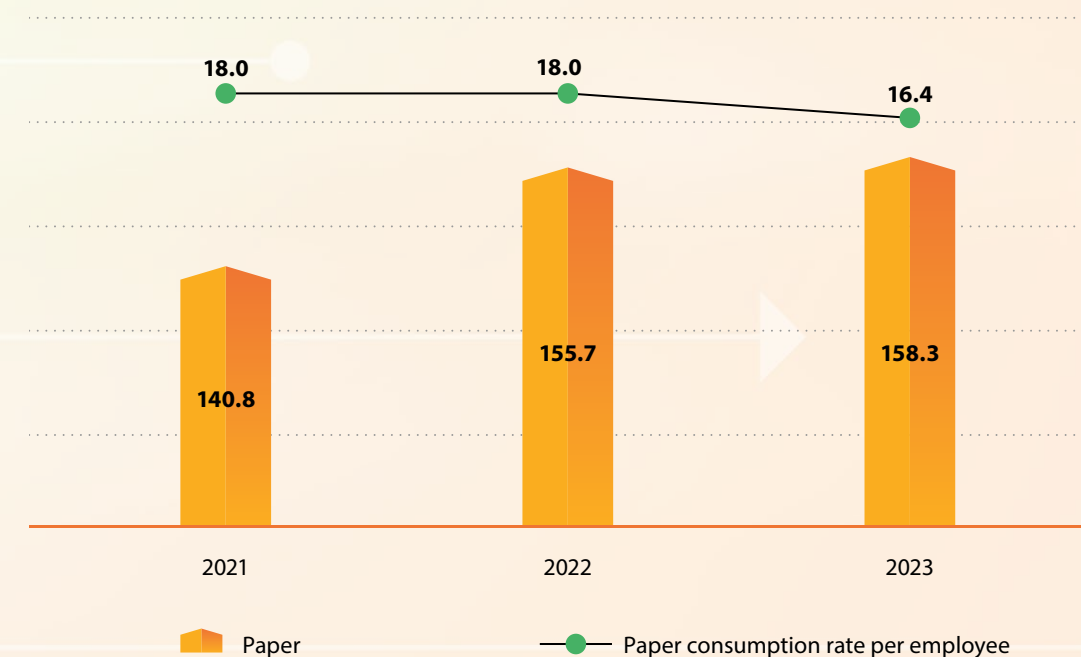
Furthermore, HDBank is making special efforts to raise awareness about saving paper and change employee paper consumption habits across the organization. The Bank encourages employees to print documents only when absolutely necessary and select double-sided printing to reduce paper consumption, as well as repurpose the blank backsides of used paper for internal note-taking.

✧ Paper consumption across the Bank in 2023

2023 witnessed remarkable growth in HDBank's business operations. The Bank's products and services, along with investment activities, have been expanding and diversifying rapidly, attracting a large number of new customers. However, thanks to significant efforts in paper management and saving practices implemented across all business units, coupled with reduced printing needs due to customers' adoption of the HDBank app, the Bank-wide paper consumption increased only slightly by 1.7%, from 155.7 tonnes in 2022 to 158.3 tonnes in 2023. This effort is further reflected in the significant reduction (8.6%) in the paper consumption rate per employee, from approximately 18 kg/person in 2022 to 16.4 kg/person in 2023.

Total paper consumption⁽²⁾ (tonnes) and paper consumption rate per employee⁽²⁾ (kg/person)

Unit: Tonnes and kg/person



⁽²⁾ Total paper consumption and paper consumption rate per employee are calculated based on bank-wide statistics. The data is directly measured from purchase transactions with the Bank's suppliers.

D. Communication and awareness raising

At HDBank, we believe that individual awareness of responsible and efficient resource usage is the fundamental factor to define success in the environmental protection journey. Therefore, HDBank always places a strong emphasis on raising awareness among its employee and the broader community regarding the importance of resource conservation.

By effectively communicating the Regulations on Environmental, Social, and Governance (ESG) policy to all employees, HDBank has established clear guidelines for environmental impact management that all employees must adhere to. In addition, in 2023, HDBank continued to organize internal competitions, such as the HD Green Award to enhance awareness about the importance of effective and optimal resource utilization and to motivate employees to adopt sustainable practices. This program is organized quarterly with total prizes up to VND 840

million, rewarding units that meet "Green Office," "Green Environment" and 5S standards. According to the 2023 data, the program attracted the participation of 77.5% of employees from 275 units bank-wide. There were 749 articles posted on the internal portal, covering topics and practices related to implementing sustainable development, saving resources, developing and upholding 5S principles, as well as building green offices at each unit.

In addition, HDBank regularly publishes internal newsletters, posters, and promotional emails to share information, achievements and initiatives related to environmental protection and resource conservation. These communications materials also remind employees to adopt resource-saving practices, including minimizing unnecessary printing, using water sparingly, and turning off faucets, lights and electronic devices when not in use.

1.5 ACTIVITY/PROGRAM HIGHLIGHTS

✦ iPaper app

Together with its efforts to promote green finance, HDBank is also committed to “greening” its internal operations. HDBank has been gradually automating its document workflows and digitizing various documents, thereby minimizing printing and paper consumption. Among the successfully implemented digital transformation projects, the application of iPaper software in HDBank’s document management system stands out as the most remarkable initiative and has made the most significant contribution to the Bank’s paper reduction efforts.

iPaper software is an internal document approval system designed to digitize various documents, as well as process, store and control text-based information in electronic file format. This system integrates digital signatures to enable electronic approval and signing of document submissions. iPaper allows direct document issuance to the HDBank Home internal network for information sharing, eliminating the need for printing documents. In addition, all users who are granted access to accounts under specific policies

in effect at that time can expedite the progress of their requests via iPaper.

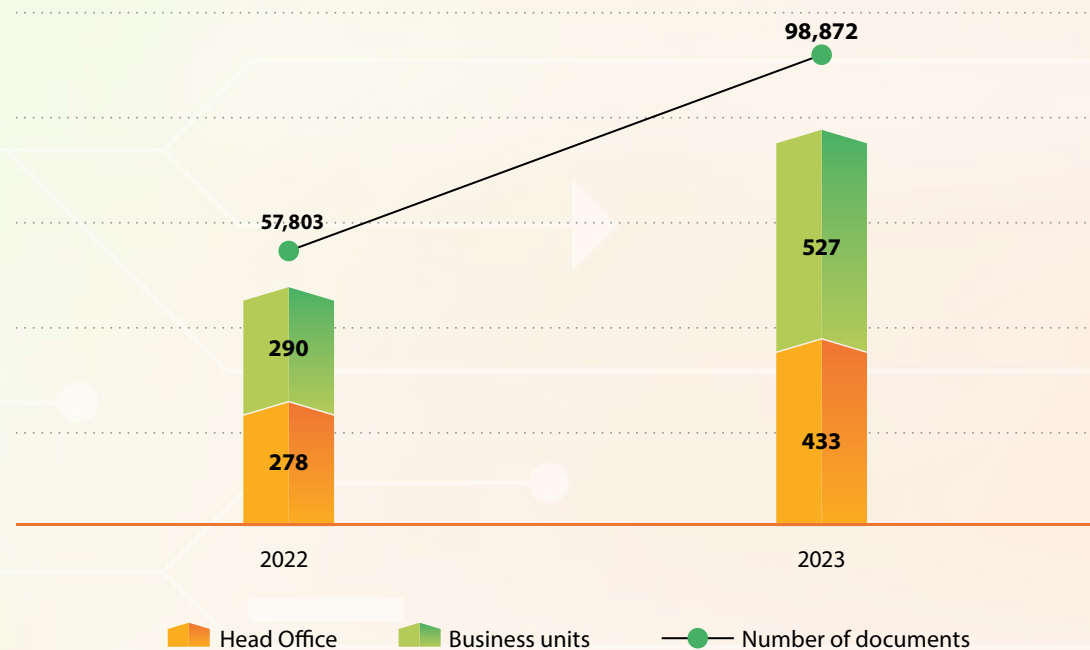
By adopting iPaper, the Bank has replaced numerous paper-based processes, resulting in faster processing time, reduced storage spaces and quicker document retrieval time. Moreover, process digitalization with iPaper not only enhances operational efficiency, improves customer service and protects customer data, but it also significantly reduces paperwork, printing demands and paper consumption across the Bank.

Achievements

Since its rollout and pilot phase in 2021, the iPaper application facilitated the signing of a remarkable number of 98,872 documents in 2023, marking a 71% increase compared to 2022. iPaper, therefore, helped to reduce 960 kg of paper consumption in 2023, representing a 69% increase in paper saving rate compared to 2022. Of the total paper saved in 2023, 45.1% was attributed to the dedicated efforts of HDBank Head Office’s employees.

Total paper saved ⁽³⁾ (kilogram) and number of documents signed ⁽³⁾ (document) via iPaper application

Unit: Kilogram and document



⁽³⁾Total paper saved and number of documents are calculated based on the Bank-wide statistics. The statistics are estimated based on the number of document pages used within the year.

1.6 FUTURE INITIATIVES:

In 2024, HDBank will adopt a new approach to optimize resource utilization by implementing multifaceted and specific solutions as follows:

- Develop and implement a system to collect, monitor and control the Bank-wide energy, water and paper consumption data across the country, which will enable appropriate implementation and timely adjustments of policies to optimize the energy, water and paper consumption
- Develop and pilot a framework to conduct environmental and social impact assessments on new suppliers, evaluate and deduct points for suppliers that violate health, safety and environmental regulations.
- Regarding energy consumption:
 - » Continue to optimize vehicle utilization and transportation routes for the Head Office, Branches and Transaction Offices
 - » Pilot and adopt electric vehicles for employee transportation, phasing out gasoline-powered options
 - » Collaborate with the Building management board to establish a unified approach to efficient energy consumption, energy-saving device usage and more efficient electrical equipment maintenance. Effectively control the operation of lighting and electricity consumption within the Bank’s premises across all departments
 - » Replace aging vehicles reaching their disposal date with electric or emission-compliant vehicles
 - » Continue to install rooftop solar panels on the suitable premises.
 - » Regularly inspect and maintain electrical equipment to ensure optimal and efficient energy usage.

- Regarding water consumption:

- » Collaborate with HD Tower Management Board to install a water metering system for the Bank’s Head Office to closely monitor and manage water consumption in 2024. The water consumption data will enable HDBank to identify the causes of unusually high water usage, allowing for prompt notice of leakage repair and timely equipment upgrades.
- Regarding paper consumption:
 - » Throughout 2024, HDBank will actively implement numerous digital transformation and customer journey digitization programs. These include revamping digital services and solutions, comprehensively digitizing internal document processes, and particularly, the iPaper program to not only enhance customer benefits and experiences but also improve employee performance, reduce printing and save paper. For detailed internal information on digital transformation and customer journey digitization, please refer to Material topic 5: Promote digital transformation and data security under Pillar 1: Governance and Material topic 4: Deliver value to customers under Pillar 3: Social.
 - » Collaborate with paper disposal, sorting and recycling partners to optimize document disposal and recycle the Bank’s publications, including calendars, gift boxes, paper packaging and many more.

1.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



2. MATERIAL TOPIC 2:

ENVIRONMENTAL IMPACTS REDUCTION

[GRI 305-1, 305-2, 305-4]

2.1 GOVERNANCE PERSPECTIVE

HDBank is committed to partnering with the government to implement the National Climate Change Strategy to 2050. While acknowledging that banking operations do not directly contribute significantly to environmental impact, HDBank actively seeks to minimize its environmental footprint. The Bank is dedicated to implementing solutions and actions that reduce greenhouse gas emissions, plastic waste, and hazardous waste, and it adheres to strict waste management practices in all its activities.

To further support sustainable energy development, HDBank is progressively transitioning to renewable energy sources such as solar power. Additionally, the Bank is committed to raising awareness about greenhouse gas emissions and promoting environmentally responsible practices among its employees, partners, and the wider community. These efforts are in line with HDBank's commitment to supporting the Government's goal of achieving net-zero emissions by 2050.

2.2 OBJECTIVES & DIRECTION

HDBank is committed to minimizing greenhouse gas emissions and environmental impact by transitioning from non-renewable to renewable and sustainable resources like solar energy, while effectively managing the Bank-wide waste disposal.

2.3 STRATEGIC ACHIEVEMENTS

Greenhouse gas emission intensity per employee in 2023 is

579.2 kg CO₂
equivalents/person;

Plastic consumption per profit before tax decreases by

12.4% compared to 2022;

Ink consumption and environmental waste per employee decreases by

7% compared to 2022.

2.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Greenhouse gas emission management

Unlike industries like manufacturing and construction, which directly generate substantial greenhouse gas emissions, the Banking sector's primary environmental impact stems from its operations. Specifically, HDBank's emissions primarily come from energy consumption, including gasoline used in transportation and electricity consumed in its buildings. In accordance with the Global Reporting Initiative (GRI) Standards and the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), HDBank has identified its direct greenhouse gas (GHG) emissions (Scope 1) from gasoline usage and indirect GHG emissions (Scope 2) from electricity consumption.

Despite having significantly lower greenhouse gas emissions compared to other industries, HDBank is still striving to implement various measures to minimize greenhouse gas emissions in its operations, driven by the core solution of bank-wide energy usage optimization.

In an effort to reduce its reliance on greenhouse gas-emitting energy sources, HDBank has been proactively transitioning to the use of clean and renewable energy sources. The Bank has installed solar panel systems on 22 of its buildings to operate alongside traditional power systems, directly contributing to mitigating the greenhouse effect and combating global climate change.

Furthermore, most of the vehicles used at HDBank are carefully selected, ensuring they meet the Euro 5 emission standard, one of the most stringent vehicle standards that are currently widely adopted worldwide. This standard sets

emission limits for various pollutants released by vehicles in operation, including carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NOx), and particulate matter (PM), among others. Consequently, vehicles that meet emission standards are normally equipped with exhaust gas treatment systems, efficient engines and automatic emission control systems to minimize the release of harmful pollutants, which can have negative consequences for the environment and human health.

Current greenhouse gas emissions of the Head Office in 2023

In line with the expansion of business operations and the increase in energy consumption, greenhouse gas emissions at the Head Office also increased by 20.6% compared to the previous year, from 1,300.1 tonnes of CO2 equivalents in 2022 to 1,567.9 tonnes of CO2 equivalents in 2023. Greenhouse gas emission intensity per employee also increased 8%

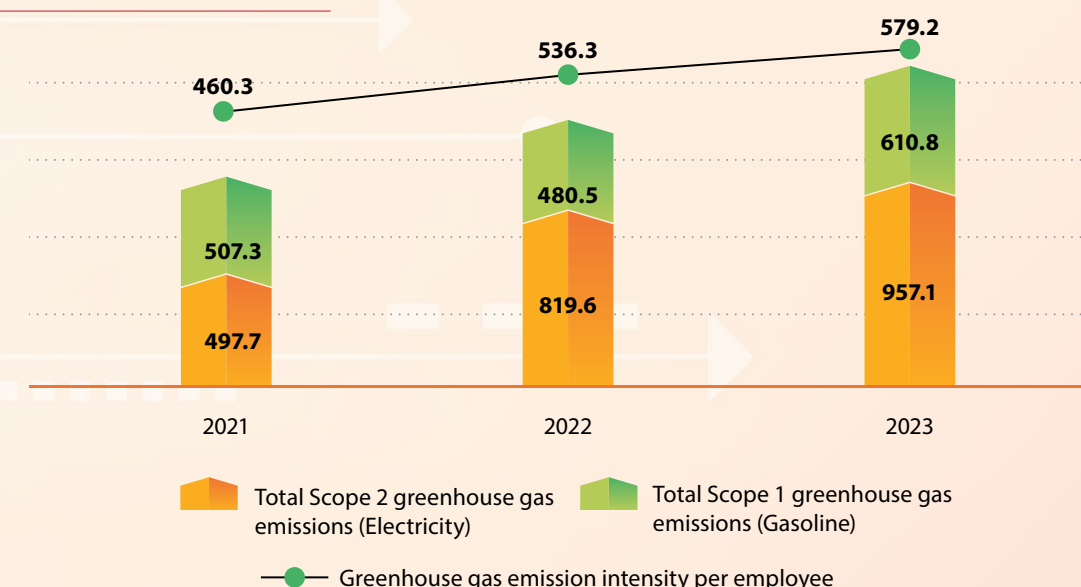
compared to 2022, from 536.3 kg of CO2 equivalents/person to 579.2 kg of CO2 equivalents/person.

Similar to energy consumption, the greenhouse gas emissions in 2023 mostly came from gasoline consumption, accounting for 61%. The greenhouse gas emissions from gasoline consumption went up 16.8% year on year, from 819.6 tonnes of CO2 equivalents in 2022 to 957.1 tonnes of CO2 equivalents in 2023. These figures reflected the increase in the number of transportation activities for appraisal and cash-in-transit operations, which contributed to the Head Office's exceptional growth in 2023.

Accounting for 39% of the total greenhouse gas emissions of the Head Office in 2023, greenhouse gas emissions from electricity consumption also experienced an upward trend compared to 2022. In line with the rising demand for electricity, greenhouse gas emissions from this source surged by 27.1%, increasing from 480.5 tonnes of CO2 equivalents in 2022 to 610.8 tonnes of CO2 equivalents in 2023.

Total greenhouse gas emissions⁽⁴⁾ (tonnes of CO2 equivalents) and greenhouse gas emission intensity per employee⁽⁴⁾ (kg of CO2 equivalents/person)

Unit: Tonnes of CO2 equivalents, kg of CO2 equivalents/person



⁽⁴⁾ The greenhouse gas emissions and greenhouse gas emission intensity per employee are calculated based on HDBank Head Office's statistics. The data is estimated based on total energy consumption and converted using the emission factors for the Vietnam's electricity grid as specified in the Official dispatch of the Climate Change Department, Ministry of Natural Resources and Environment for electricity, and the emission factors in Decision 2626/QĐ-BTNMT of the Ministry of Natural Resources and Environment for gasoline.

B. Waste disposal management

In its commitment to environmental protection, HDBank puts addressing environmental waste disposal as its top priority. In addition to its commitment to strictly complying with all applicable laws and regulations regarding waste disposal, the Bank also collaborates closely with local environmental management agencies to conduct systematic and reliable environmental impact inspections and monitoring. At the same time, HDBank also implements numerous practical initiatives focused on wastewater and waste management.

Waste water

During its operations, HDBank produces wastewater solely from employees' daily activities, including personal hygiene and washing cups. To prevent wastewater discharge that pollutes water resources and negatively impacts the environment, HDBank proactively reviews and evaluates building lease contracts before signing to ensure that Landlords and Building management boards have the necessary capabilities, responsibilities and commitments to maintaining effective wastewater treatment systems. Specifically, the collection and treatment of wastewater must be carried out properly and in accordance with laws and regulations. This includes removing pollutants, harmful chemicals and microorganisms before the water is discharged into the communal sewage system in the area. HDBank also actively collaborates and closely works with Building management boards to implement measures that enhance the efficiency of communal wastewater management and facilitate early issue detection to promptly repair or upgrade the wastewater treatment systems.

Waste

Demonstrating an unwavering commitment to environmental protection and minimizing its ecological footprint, HDBank consistently adheres to all applicable regulations and implements rigorous waste management practices across its operations.

The Bank embraces a comprehensive Reduce-Reuse-Recycle strategy for solid waste management. By prioritizing repair and reuse of faulty or damaged IT equipment, work tools, and office supplies, HDBank

significantly reduces waste generation, lessening the burden on waste treatment systems. For items beyond repair, including furniture, electronics, and signage, the Bank employs a detailed classification system for proper collection and disposal in accordance with regulations.

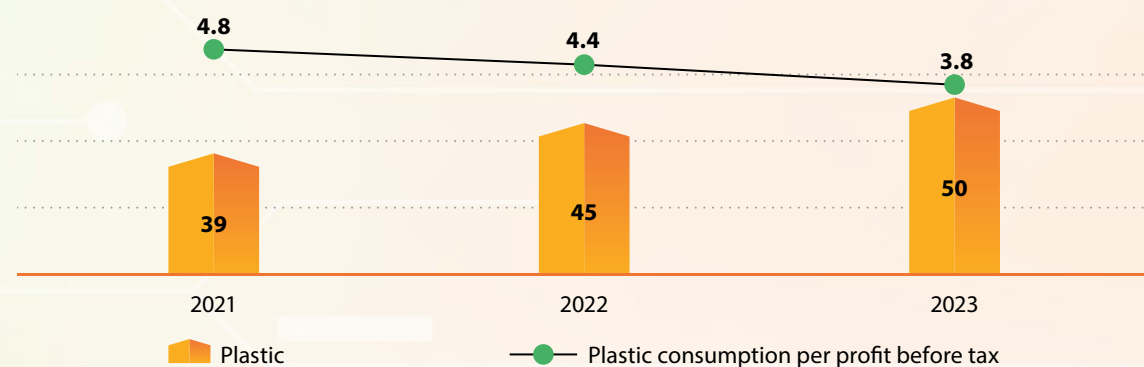
When selecting and evaluating buildings, HDBank prioritizes those designed in compliance with government regulations concerning waste management systems. The Bank also adheres to waste management practices consistent with the standards set by landlords and building management boards. Throughout the building's tenancy, HDBank actively collaborates and participates.

► Plastic waste

HDBank implements a policy of minimizing plastic waste in all its activities and events. For many years, the Bank has transitioned to using reusable items in place of single-use plastic ones in its offices, eliminating their use entirely. A typical example of this effort is that the Bank has replaced disposable paper and plastic cups with personal ceramic mugs for each employee. Meeting rooms are also equipped with glass cups and bottles instead of plastic ones. In 2023, HDBank switched to using paper cups at the counters, replacing non-biodegradable plastic cups, a move that contributed to raising consumer awareness about using eco-friendly products. The Bank also promotes sustainable consumption habits among all employees, both in the workplace and in their daily lives. This includes encouraging the use of recycled products, reducing the use of nylon bags and avoiding single-use plastics.

Total plastic consumption⁽⁵⁾ (tons) and plastic consumption per profit before tax⁽⁵⁾ (kg/billion VND)

Unit: Tons and kg/billion VND



⁽⁴⁾ Total plastic consumption and plastic consumption per profit before tax are calculated based on the Bank-wide statistics. The data is directly collected from purchase transactions with the Bank's suppliers.

In addition, money bags are the only plastic items that HDBank still uses to ensure security and safety for customers during transactions. However, all of the Bank's money bags are made of self-degradable and eco-friendly plastic. Unlike conventional plastics, this self-degradable plastic is made from natural materials and can be broken down by microorganisms in the environment. The General Department of Environment under the Ministry of Natural Resources and Environment and Symphony Environmental, a leading UK company in biodegradable plastic technology, have verified and confirmed that this self-degradable plastic meets the standards for biodegradability, eco-friendliness, non-toxicity, and no long-term environmental impact.

Due to the robust growth and continuous expansion of new business activities in 2023, the demand for plastic money bags in bank transactions also increased. Despite the rising demand for plastic bags, thanks to significant efforts of the entire HDBank team to manage and reduce plastic consumption, the Bank-wide plastic consumption and environmental waste increased by only 11.1%, from 45 tons in 2022 to 50 tons in 2023. This effort is further reflected in the significant reduction (12.4%) in plastic consumption per profit before tax, from approximately 4.4 kg/billion VND in 2022 to 3.8 kg/billion VND in 2023.

► Hazardous waste

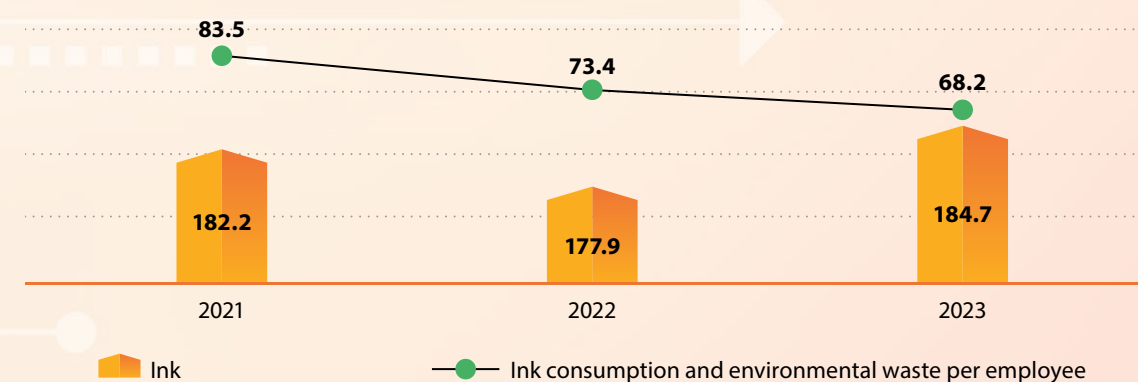
Operating in the financial services sector, HDBank only produces hazardous waste that comes from fluorescent lamps and printing ink. These kinds of waste are carefully collected, stored and managed by the Bank in designated areas to ensure safety and environmental protection.

Similar to paper and money bags, the demand for printing ink also escalates in line with HDBank's business growth and expansion. However, by implementing stringent management measures, HDBank consumed and released into the environment a slightly increased amount of ink (3.8%) compared to the previous year, from 177.9 kg in 2022 to 184.7 kg in 2023. The effective management is clearly reflected in the significant downward trend (7%) in ink consumption and environmental waste per employee, from approximately 73.4 grams/person in 2022 to 68.2 grams/person in 2023.

Regarding ink cartridges, HDBank consistently prioritizes reuse, refilling them with new ink at least three times before disposal. This practice minimizes environmental waste and aligns with circular economy principles. Furthermore, the Bank's ongoing digital transformation efforts, including the promotion of e-banking products and services, as well as online utility applications in 2023, have significantly reduced the overall consumption and disposal of printing ink.

Total ink consumption and environmental waste⁽⁶⁾ (kg) and ink consumption and environmental waste per employee⁽⁶⁾ (gram/person)

Unit: Kg và gram/person



⁽⁶⁾ Ink consumption and environmental waste, and ink consumption and environmental waste per employee are calculated based on the HDBank Head Office's statistics. The data is estimated based on the total accounting costs that have been accrued, the average unit price in the year and the average weight of each ink cartridge.

Non-hazardous waste

Non-hazardous waste at HDBank includes domestic waste and recyclable waste such as scrap metal, cardboard packaging, paper boxes and office paper. All HDBank's office buildings have officially signed contracts with licensed waste treatment companies to ensure that waste is collected and treated regularly and properly on-site, minimizing environmental pollution.

C. Communication and awareness raising about environmental protection

In an effort to foster positive changes in employee perceptions, behaviors, and daily habits regarding environmental protection, HDBank has launched a series of communication programs and internal newsletters for all employees. A striking example is the 5S standard (Sort - Set in order - Shine - Standardize - Sustain), which has been consistently applied by the Bank for several years.

The 5S standard is a methodology originating from Japan and widely used worldwide, empowering employees to proactively organize and maintain a tidy workspace, leading to improved performance and time savings. Through 5S, HDBank increases employee self-awareness while encouraging and enabling them to participate in environmental protection measures. According to monthly 5S implementation assessment reports (including criteria for electricity, water and paper saving, and waste disposal), the entire bank has actively implemented 5S in daily operations, with over 92% of departments qualifying for the 5S standard in 2023.



2.5 ACTIVITY/PROGRAM HIGHLIGHTS

Solar energy system

Showing a strong commitment to sustainable development and environmental responsibility, HDBank has installed rooftop solar panel systems on 22 buildings to self-generate and utilize clean energy. This initiative aims to reduce reliance on fossil fuels, which release significant emissions during operation.

Prior to the installation of each solar power system, HDBank conducted thorough efficiency assessments, considering various factors such as building location, structure, regional weather patterns, etc. This system operates based on the photovoltaic effect, converting sunlight into electricity and consists of photovoltaic panels and other components made from eco-friendly materials. Also, the system adopts Hanwha QCell's Mono Perc halfcut technology, a cutting-edge technology renowned for its exceptional quality and compliance with international standards, and widely used in the modern solar panel industry. This technology enables the panels to effectively absorb sunlight and

harmful radiation. As a result, the power system not only operates stably with high efficiency, generating a larger amount of clean energy than traditional solar panels but also helps reduce greenhouse gas emissions and protect the environment.

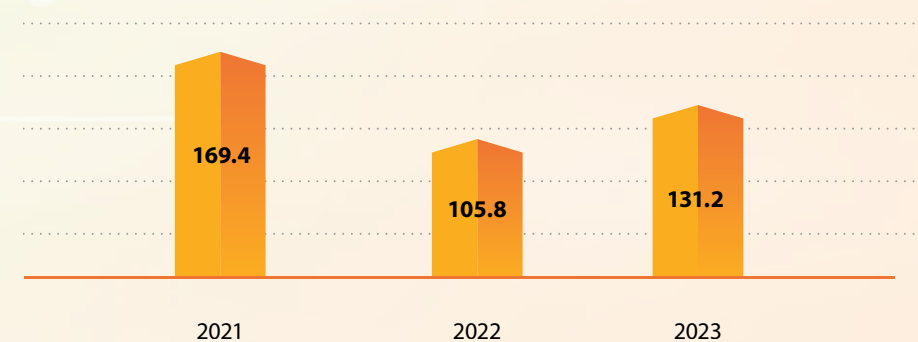
HDBank utilizes the generated solar energy to power all electrical equipment within the buildings, including lighting systems, air conditioning systems, and various equipment and electronics. Consequently, the Bank significantly contributes to greenhouse gas emission reduction, aligning with the Government's commitment to phasing out coal power and achieving net-zero emissions by 2050.

Achievements

Compared to 2022, solar energy consumption surged by 24%, from 105.8 gigajoules in 2022 to 131.2 gigajoules in 2023.

Solar energy consumption ⁽⁷⁾ (gigajoules)

Unit: Gigajoules



⁽⁷⁾ Solar energy consumption is calculated based on HDBank Head Office statistics. The data is estimated based on the estimated price of solar energy and the average electricity price in the year.

2.6 FUTURE ACTIONS

HDBank remains steadfast in its commitment to exploring and implementing innovative solutions to minimize greenhouse gas emissions, optimize waste management, and achieve carbon neutrality across its operations.

Awareness and Training Programs:

- Continue the HD Green Awards: This program incentivizes environmental and social impact mitigation practices within the Bank, focusing on measurable goals for reducing paper and plastic consumption, and encouraging bank-wide participation in tree planting, waste collection, and recycling initiatives in local communities.
- Waste Reduction Training: Conduct comprehensive training for all HDBank employees on "Reducing paper and plastic consumption and the environmental impact of plastic waste and paper." This will raise awareness about waste segregation and promote reduction of paper and plastic use in daily operations.

Smart Waste Management:

- Pilot Program: Research and pilot smart waste management measures at the Head Office,

encompassing waste segregation, recycling, and source reduction strategies.

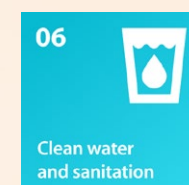
- Plastic Consumption Measurement: Conduct detailed measurements of plastic consumption for major plastic products (money straps, plastic bottles, packaging, etc.) to identify opportunities to reduce single-use plastics and replace them with environmentally friendly alternatives (e.g., replacing plastic bottles with glass cups for bank merchandise).

Promotion of Sustainable Practices:

- Recycled Plastic Products: Encourage the use of recycled plastic products throughout the Bank's operations.
- Bank-wide Initiatives: Organize initiatives like tree planting and plastic waste collection and recycling to raise employee awareness and contribute to measuring and neutralizing the carbon footprint of the Bank's operations.

By implementing the 2024 plan of reducing energy consumption, as mentioned in Material topics 1: Optimize resource utilization under Pillar 2: Environmental, it is expected to see a corresponding decrease in greenhouse gas emissions associated with energy consumption.

2.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



C. PILLAR 03

SOCIAL

1. MATERIAL TOPIC 1:

HUMAN RESOURCES ENHANCEMENT

1.1 GOVERNANCE PERSPECTIVE

HDBank recognizes its employees as a cornerstone for achieving its strategic objectives and places a high priority on investing in human capital. The Bank actively recruits skilled and qualified professionals aligned with its developmental needs, with a particular focus on attracting promising university graduates who will form the future core workforce.

To ensure sustainable human resource development, HDBank continually enhances its training programs and establishes clear career paths for each position. The Bank fosters a culture of continuous learning and self-improvement, empowering employees to contribute to the Bank's growth. Regular, fair, and transparent performance evaluations are integral to HDBank's overall human resource management and development strategy.

Guided by the principle of creating a happy workplace, HDBank emphasizes a corporate culture that attracts, retains, and motivates talented individuals. Bank-wide corporate culture development programs strengthen connections between employees and leadership, providing a solid foundation for HDBank's rapid growth in both scale and quality.

Through these investments in human resource development, HDBank is confident in building a high-performing team with the expertise and professional capabilities needed to seize future growth opportunities and overcome challenges.

1.2 OBJECTIVES & DIRECTION

HDBank focuses on talent attraction and acquisition, as well as training and upskilling of human resources, to promptly meet current and future business needs.

The Bank is committed to fostering a professional work environment and providing opportunities for employees to enhance their knowledge and skills, thereby building a team of talented and creative high performers.

1.3 STRATEGIC ACHIEVEMENTS

Top 1 Employer

for employee satisfaction in the market according to surveys conducted by CareerBuilder and InsightAsia

Digital Transformation Awards 2023

awarded by HR Asia Magazine for the successful application of information technology in human resources activities

Foster corporate culture through nation-wide workshops on

“Building culture towards high performance”

and develop a set of HDBank corporate culture standards

The number of training hours in 2023 increased by

250,672 hours,

equivalent to 152.7% compared to 2022.

The total expenses for staff training activities increased by

249.4%

compared to 2022

The proportion of employees meeting or exceeding expectations reached

99.6%

in 2023

1.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

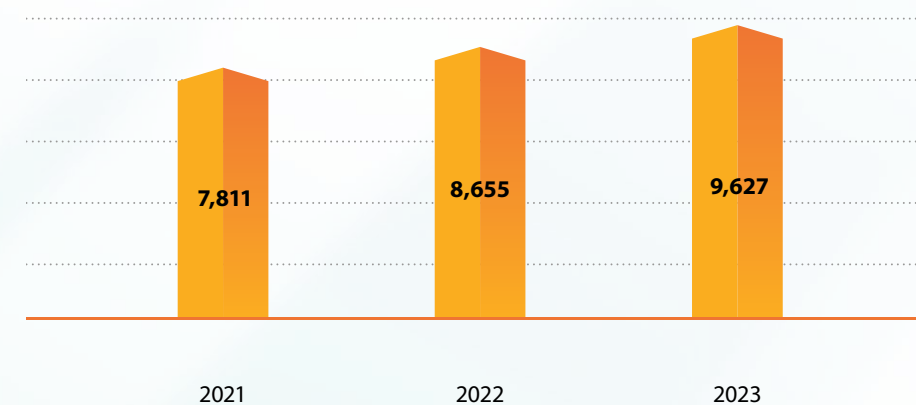
A. Talent acquisition and attraction:

[GRI 401-1]

HDBank increased 11.2% of its workforce compared to 2022, with a total of 9,627 employees as of December 31, 2023. In 2023, the Bank's total new recruits across the country are 2,423 employees, a 6% increase compared to 2022. These new recruits filled a wide range of positions, from entry-level to senior management roles both at the head office and regional business units. HDBank also promoted 501 internal employees, transferred and reassigned 694 employees, and signed employment contracts with 1,859 employees. During the recruitment process, the Bank particularly focused on expanding its talent pool in business areas experiencing rapid growth and transformation, including retail, card services, operations, information technology and digital transformation.

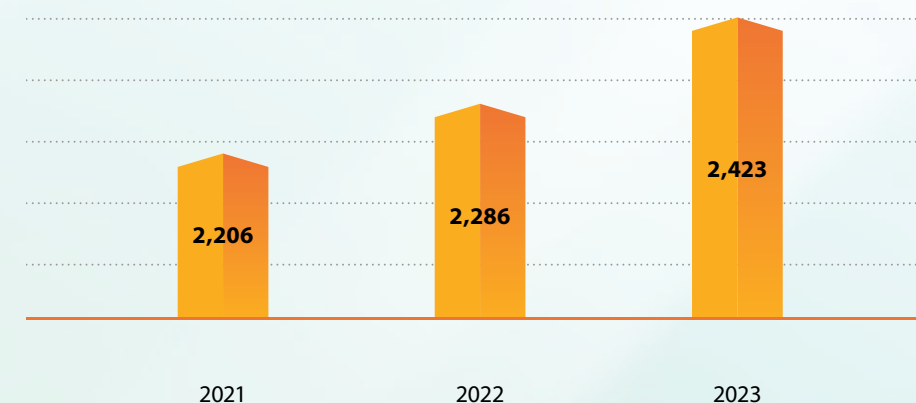
Number of employees over the years*

Unit: Employee



Number of new recruits over the years*

Unit: Employee

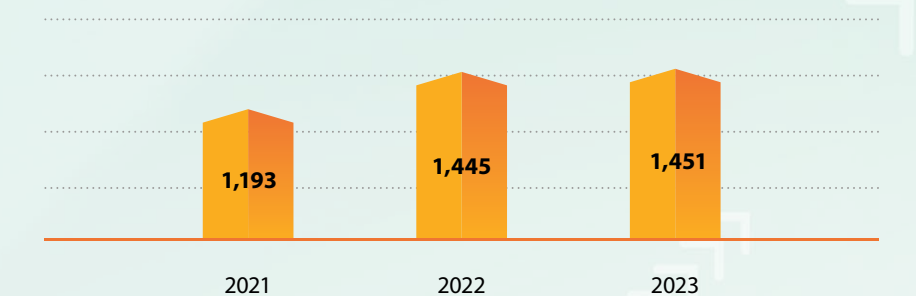


* The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included

In 2023, HDBank processed 1,451 employee terminations, which remained within acceptable levels and showed minimal fluctuation compared to previous years.^[1]

Number of employee terminations over the years*

Unit: Employee



* The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

[1] The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

Recruitment and talent acquisition are constantly HDBank's main focus. The Bank actively seeks qualified candidates through various channels and platforms. All job opportunities at HDBank are readily available on the recruitment website and fan page, as well as on internal communication channels. In 2023, the Bank received up to around 5,000 applications through HDBank Career, marking a 31% increase compared to 2022.^[2] HDBank's online media channels, such as Facebook and LinkedIn, have experienced a remarkable surge in followers, witnessing a nearly 40% increase compared to 2022.

In addition, the Bank implements an internal employee referral program and actively organizes numerous events where division heads can discuss opportunities with potential candidates. By using diverse communication channels and platforms, HDBank ensures its job opportunities are widely announced and can reach the target audience in a timely manner. As a result, in 2023, the recruitment process fulfilled 98% of the set plan and met 90% of the year's requirements.

HDBank focuses on not only recruiting experienced and highly skilled employees but also providing opportunities for fresh graduates. Each year, the Bank hosts job fairs, programs and workshops exclusively for university students nationwide. These events aim to create opportunities and

enhance career prospects for students while enabling HDBank to identify and recruit promising young talents. Throughout 2023, HDBank successfully organized 57 events, including 21 targeted recruitment programs, 18 job fairs, 7 seminars, 5 MOU (Memorandum of Understanding) signings with universities, and 2 company tours.

HDBank also implements recruitment programs tailored to fresh graduates with limited work experience. Programs like Be Banker, Learner to Master and Internship at the Head Office have attracted hundreds of students, providing them with opportunities to learn and gain experience in a professional and dynamic work environment. Upon completion of the program, many students were selected for internship or full-time positions at HDBank.

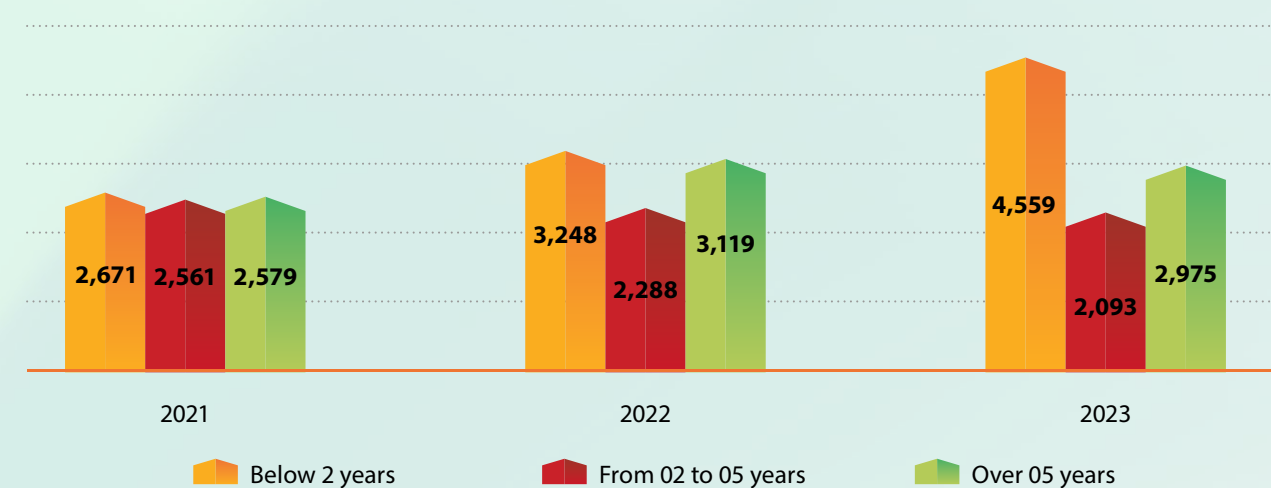
Another remarkable aspect of HDBank's recruitment and talent attraction programs is the increased use of technology, along with a focus on building strong connections between new recruits and the Bank. HDBank has adopted comprehensive digital transformation in its human resources management, particularly in recruitment processes, implementing dashboards and end-to-end digitization to enhance recruitment efficiency, ensure security and transparency, and improve the candidate experience.

B. Training and career path development:

To cultivate a culture of continuous growth and leadership development, HDBank has designed personalized career development plans for each position within the organization. The Bank's commitment to comprehensive training programs, clear advancement opportunities, competitive compensation, and sufficient welfare benefits ensures a high level of employee engagement and retention.

Headcount breakdown by seniority

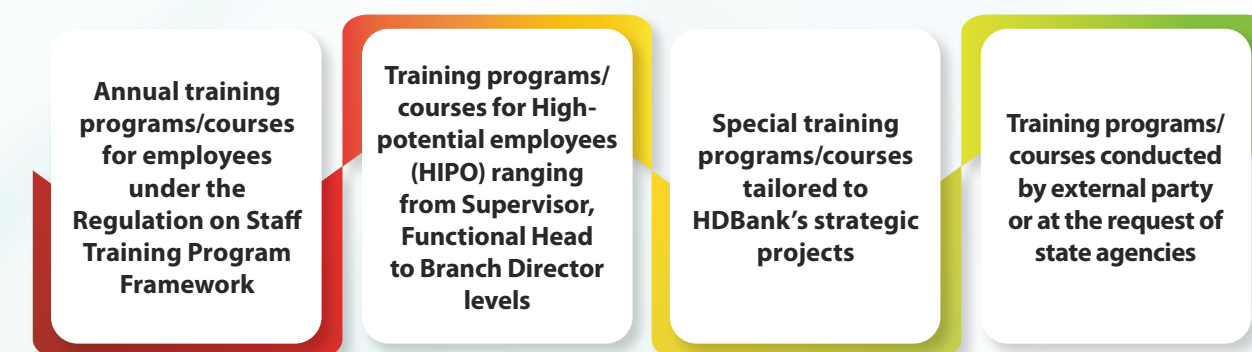
Unit: Employee



^[1] The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

^[2] The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

A training program framework has been developed to up-skill and re-skill employees at all levels, as well as to build capacity and improve in-depth capabilities as needed. Our training programs leverage diverse delivery methods, featuring instruction from qualified trainers and industry leaders. In 2023, a total of 767 training courses were conducted across the Bank, up 34.6% from 2022. They are delivered through a mix of learning formats, including 290 live training sessions, 84 e-learning courses, and 393 focus courses, and categorized into different groups:



HDBank has issued the Training Process outlining step-by-step guidance for all training activities. Each year, the Bank conducts surveys and analyzes training needs to develop specific annual and monthly training plans before implementation. Following each training course, the Training Center will collaborate with relevant units to facilitate the application of lessons learnt from the courses. Additionally, program effectiveness will be assessed through surveys of participants, instructors, and stakeholders. This approach allows HDBank to continuously enhance training quality and deliver impactful programs.

Key training programs in 2023 includes: **[GRI 404-2]**

Leadership development programs for HDBank Next Leaders

Conduct recruitment and internal training for core positions by following the core philosophy of "fostering personal career growth alongside the Bank's overall development".

Leadership development programs for HDBank Managers

Empower the management team with the leadership skills and mindset necessary to elevate their business performance, navigate challenges and fluctuations in the macro environment, and ultimately maximize resource utilization.

Training programs for HIPO

Cultivate high-performing employees with leadership capabilities to rise to leadership roles should the need arise.

Train-The-Trainer program for HDBank's professional trainers

Develop and nurture a team of in-house trainers for better training quality and effectiveness.

Training programs for new hires

Provide new hires with essential knowledge, skills, and expertise to meet their job requirements.

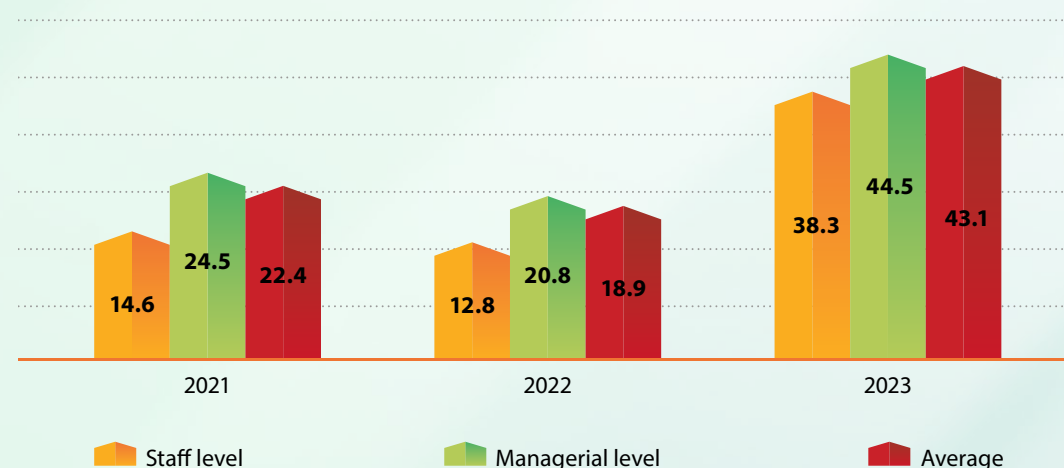
^[3] The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

HDBank has implemented a variety of internal training programs for employees to sharpen their working skill, enhance their professional expertise, as well as develop soft skills for managerial and sales positions. Additionally, HDBank has partnered with external training providers to deliver leadership development programs, training programs for HIPO, leadership skill courses for managers among others. Through these trainings, participants gain banking-specific knowledge and professional skills for better performance.

In 2023, employee training hours surged by 152.7% compared to 2022, reaching a total of 414,872 hours. Training activities were ramped up in 2023 to support the strong expansion of business activities during the year, especially in the product lines for retail and corporate customers, to empower staff with technological knowledge, foster digital transformation, introduce new sales programs, and equip them with expertise for new roles serving priority customers.

Average training hours per employee per year *

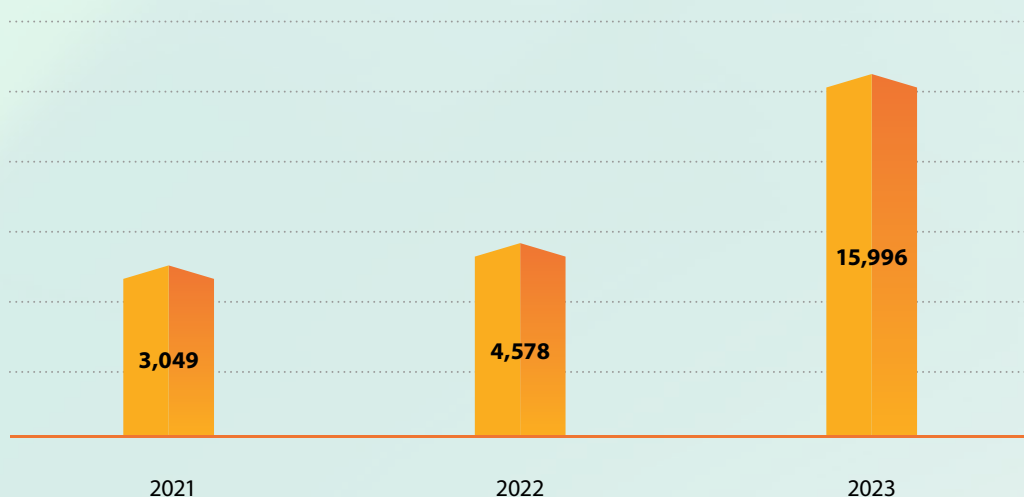
Unit: hours



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included. [GRI 404-1]

Annual training expenditure (billion VND)

Unit: billion VND



* The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

[GRI 404-3] Monthly and annual performance assessments for all employees are carried out bank-wide in a fair and transparent manner to measure task accomplishment and establish employee rankings. These assessments serve as the basis for formulating policies related to compensation, promotion or rotation and re-training as needed. The evaluation is facilitated through a performance measurement system (online KPIs) driven by technology solutions, including "People World" and the "People HDBank" application. These digital tools streamline human resource management by enabling complete and easy management of personnel information while minimizing errors and processing time.

To effectively assess and build a clear and successful career path for its employees, HDBank has issued Appointment Regulation to standardize and align the criteria and principles governing the appointment of personnel.

In 2023, HDBank launched a program to recognize and reward high-performing employees for their achievements and contributions to the Bank. Following stringent evaluation criteria, the Evaluation Board identified 90 employees for recognition through the 2023 Top 10 and Top 100 High Performer Awards. Subsequently, a formal appreciation ceremony was held where these employees were honored with valuable rewards, accompanied by heartfelt gratitude extended to their families and relatives through the Thank You Cards from the General Director.

C. Corporate culture development:

Throughout its nearly 35-year journey, HDBank has consistently woven a professional, people-centric, and unique culture into its business strategy. This culture is embodied in five core values: customer-centricity, integrity and responsibility, adaptable leadership, professionalism and teamwork, and excellence and innovation. HDBank's core values transcend traditional norms, embracing the spirit of the digital age and inspiring the team to achieve synergistic success.

During Corporate Culture Workshops, HDBank's CEO emphasized the essence of the Bank's culture, captured in the acronym HDBank itself. "H" stands for "Humanism," reflecting the team's people-centric approach. This humanism emphasizes continuous training and career development, fostering an environment where employees thrive personally and professionally, building skills, ambition, and competence for future advancement. Meanwhile, "K" stands for KPIs, underscoring a results-oriented, high-performance culture.

By each employee achieving their KPIs, HDBank's work environment continuously improves, becoming more creative and dynamic.



Throughout 2023, HDBank has proactively fostered a strong corporate culture by implementing a series of targeted initiatives. These includes:

- The introduction of core cultural standards which define clear behavioral expectations for both the HR management team and the broader bank workforce.
- A survey to assess employees' comprehension of HDBank culture on the internal system, with 76.82% respondents showing a strong understanding and awareness of the Bank's five core values.
- Three corporate culture workshops for over 700 managers to share their diverse perspectives, thoughts, and feelings about HDBank's core values and culture.

In 2024, HDBank aims to implement a "cultural experience journey" for its employees, focusing on the key touchpoints of "Learn and Do," "Believe and Do," and "Do and Inspire." This initiative will encompass several activities:

- Bank-wide Conferences and Internal Communication: Promote HDBank's cultural norms and core values through conferences, workshops featuring real-world scenarios, and ongoing internal communication efforts.
- Comprehensive Training Programs: Implement bank-wide online training programs for all staff, including assessments and surveys to measure the effectiveness of training and the resulting changes in employee behavior and understanding of core values.
- "Explore the Cultural Journey" Contest: Launch an internal competition to engage employees in a fun and interactive way, offering weekly online rewards for participation and creativity in incorporating cultural themes into team-building activities, and holding a personal transformation challenge after adhering to HDBank's cultural standards.

1.5 ACTIVITY/PROGRAM HIGHLIGHTS

The 2023 High-Potential Employee (HiPo) Training Program

HDBank has consistently invested in and developed the HiPo Training Program to cultivate high-potential employees with strong leadership qualities, grooming them for future leadership roles within the Bank. This program directly addresses HDBank's human resource needs by providing a platform for employees to demonstrate their competencies and advance their careers at HDBank.

The 2023 HiPo training program specifically targeted the following management positions:

- Relationship Manager of the Retail Banking Department
- Potential supervisor
- Manager/Deputy Manager of the Corporate Banking Department
- Manager/Deputy Manager of the Retail Banking Department
- Branch Director (to be implemented in 2024)
- HDBank Director (Head of Transaction office) (to be implemented in 2024)

All positions must go through a selection process with clear and transparent criteria including screening, classification, surveys, and interviews. Afterward, a select group of employees will participate in targeted training programs to evaluate their alignment with the core competencies required for their respective positions. Employees who successfully finish the training program will, if needed, be considered by HDBank for appointments to suitable roles.

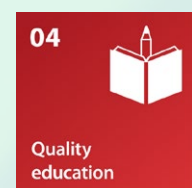
Achievements

HDBank has cultivated a robust pipeline of 542 high-potential employees through years of implementation, preparing them for further training, development and eventual appointment to leadership roles. Accordingly, 182 active employees, representing a strong 41% of the pipeline, have already been successfully promoted to leadership positions. The team of HiPo has 443 members so far.

1.6 FUTURE INITIATIVES

HDBank continues to enhance the labor relations expertise and management skills of its management team, aiming to strengthen people management capabilities, ensure consistent application of labor relations principles across the organization and alignment with corporate culture, contributing to development of sustainable and effective labor relations.

1.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



2. MATERIAL TOPIC 2:

EMPLOYEE'S WELFARE AND COMPENSATION



In 2023, HDBank was awarded the Best Workplace in Asia by HR Asia for the 6th consecutive year.

2.1 GOVERNANCE PERSPECTIVE

At HDBank, employees are the most valuable asset and employee welfare and remuneration are constantly prioritized. This is crucial to the Bank's ability to retain talent. As such, the Bank has established and effectively implemented policies to ensure employees' income, to stabilize and improve their standard of life, and to foster a sense of security in their devotion and commitment to the Bank. In addition, HDBank demonstrates thorough consideration in all aspects of employee care, including welfare, compensation, and life support. In compliance with the law, the Bank is dedicated to providing competitive benefits and compensation that are updated and enhanced based on employee feedback and expectations.

Employee safety and health are also key concerns at HDBank. The Bank is constantly focused on identifying workplace risks and hazards in order to develop prevention and mitigation measures. Furthermore, the Bank consistently prioritizes employee health care by launching initiatives aimed at promoting a safe and healthy work environment, which helps to preserve and enhance employees' health.

2.2 OBJECTIVES & DIRECTION

Driven by the ambition to create a happy workplace, HDBank continues to improve salary regimes and other attractive compensation. To maintain and improve a

thorough understanding of employee needs, HDBank regularly measures satisfaction and solicits feedback on its welfare programs. HDBank remains committed to maintaining and enhancing its existing welfare policies to foster a professional working environment and exceptional welfare programs. In addition, HDBank maintains strong management performance and implements measures to mitigate occupational safety and health risks for employees.

2.3 STRATEGIC ACHIEVEMENTS

HR Asia Best Companies To Work For In Asia 2023

(winner for 6 consecutive years)

Issuance of

20 million shares

to managers through the Employee Stock Option Plan (ESOP).

No record of work-related accidents or injuries in 2023 [GRI 403-9&10]

2.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. Strengthened Salary and Bonus Structure, Expanded Benefits and Welfare Programs

✦ Salary bonus discipline

HDBank implements performance-based salary bonus discipline for all employees in a clear and transparent manner. Emulation and bonus programs are also launched for timely recognition of employee contributions, driving employee retention.

As advised by the international consulting firm, HDBank has conducted regular salary framework benchmark against market data which include salary review and evaluation for new job positions and assessment model change to reflect latest market conditions. In 2023, HDBank employees enjoyed an average monthly income of VND 23,18 million.

	2021	2022	2023
Number of cases with delayed salary payment in the year	0	0	0
Number of cases with decreased salary in the year	0	0	0
Percent (%) of employees receiving the 13th month salary and annual bonus to the total number of employees	98%	98%	98%

✦ Other welfare and benefits [GRI 401-2]

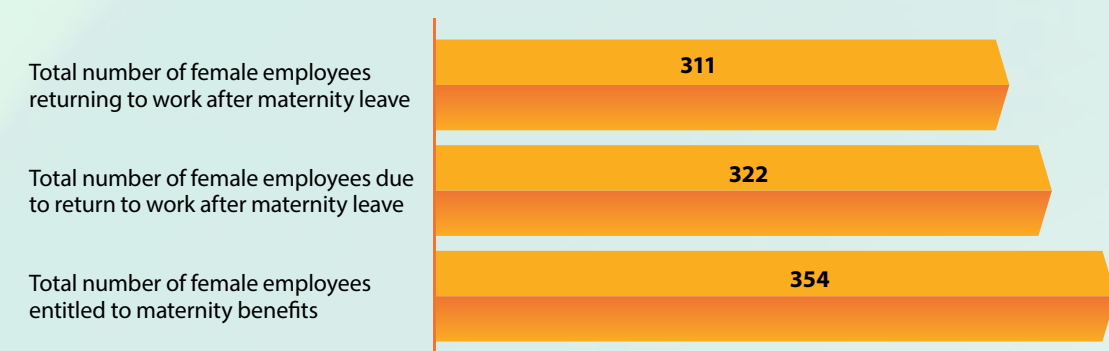
In addition to welfare policies required by law and internal regulations, HDBank also offers unique welfare programs and activities tailored to its employees to foster a sense of security, thereby improving their engagement, commitment, and dedication to the Bank.

- Management and employees with at least two years of seniority are eligible for health insurance at HDBank. The Bank also purchases accident insurance that covers 100% of employees around-the-clock and has a maximum payout of thirty months' salary. [GRI 403-6]

- Additionally, female employees enjoy the best care possible during their pregnancies. Apart from the benefits stipulated by the social insurance law, the Bank offers maternity support up to 1.5 months of minimum regional salary. Additionally, the Bank has implemented a policy that covers pregnant female employees who are eligible for paid leave to attend prenatal check-ups for a maximum of 05 days. [GRI 401-3]

Total number of female employees on maternity leave in 2023 *

Unit: Employee

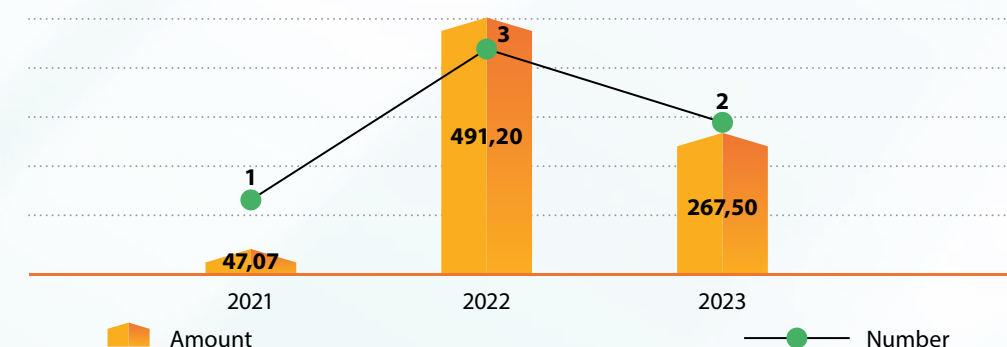


* The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

- Each retiring employee with five years or more of seniority will get one month's pay based on the salary one month prior to retirement. [GRI 404-2]

Total amount and number of employees receiving retirement benefits (million VND/employee)

Unit: million VND/employee



* The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

- Employee care is an integral part of HDBank's crucial activities. In 2023, HDBank has earmarked around VND 80 billion in the form of Lunar New Year gifts for the year of the cat, paid for uniforms, phone allowance, employee birthday gifts, and Mid-Autumn Festival gifts, among others.
- To cultivate a collaborative spirit, foster a competitive environment within the organization and strengthen the bond between the Bank and its staff, a variety of team building activities and sightseeing excursions were organized by the Bank during the year. The total amount spent on vacations and tours for the Bank's employees in 2023 exceeded VND 40 billion.
- Throughout 2023, HDBank issued 20 million shares to its key personnel through the Employee Stock Option Plan (ESOP) in order to retain talent and foster a sense of attachment and dedication to the Bank. It is anticipated that the issuance would be finished in the first quarter of 2024.
- As stated in the employee handbook, HDBank provides gift money to newlyweds as well as sickness benefits, hardship benefits, and other benefits on public holidays and special occasions such as International Women's Day (March 8th), Vietnamese women, International Children's Day, and the Bank's birthday.

HDBank employees also enjoy a variety of benefits exclusive to Sovico Group members. These include up to 50% tuition assistance for their children attending Victoria Saigon South School, an international bilingual school, promotional codes at partner resort hotels, free opening and annual fee for the HDBank Vietjet Platinum credit card,

offering discounted tickets and priority check-in at Vietjet airport counters. Employees also can partake in online training programs in collaboration with reputable training centers to support their professional development, enhance well-being, and equip themselves with effective remote work management skills, etc

✦ Prioritize employee well-being

To ensure the continued successful execution of the livelihood support program for employees in 2023, HDBank has put forth and successfully executed numerous solutions, including::

- Partnering with service providers to offer employee benefits and incentives.
- Coordinating the implementation of Galaxy Mart essential food project to guarantee access to affordable groceries for both employees and customers.

Additionally, HDBank proactively identifies employees who are struggling and extends timely assistance. In 2023, HDBank arranged visits and provided financial assistance totaling VND 45 million to 05 employees with serious diseases and 01 employee whose house was destroyed by fire. The Bank also arranged visits and gave money with a total amount of VND 15 million to the families of 03 employees whose relatives are gravely ill, and offered consolation to their departed relatives. Furthermore, HDBank encouraged staff to make donation of up to hundreds of millions of VND for supporting other employees who are affected by incurable or life threatening diseases.

B. Ensure workplace safety and enhance employee well-being

[GRI 403-1 & 403-2] HDBank always places paramount focus on workplace safety and employee well-being. In collaboration with various relevant functions and departments, the Bank has proactively conducted risk management activities that include hazard identification, risk assessment, and incident investigation. The first line of defense units will be responsible for comprehensively identifying operational risks, especially those related to people, such as workplace health and safety, across all products, business activities, business procedures, information technology systems, and other management systems. In case of an incident, either the Head of the Unit or the Compliance Department will prepare a report and submit it to the Operational Risk Management Department for further analysis and monitoring. Incidents involving human resource relations and labor safety that result in disputes will be classified and resolved in consultation with the Human Resources Division, which acts as the point of contact for case resolution.

Based on the identification of occupational safety and health risks and hazards, HDBank has organized and implemented a number of initiatives and programs, including risk prevention and control measures, training sessions on procedures for dealing with dangerous situations, introduction of a reporting and incident handling system. These efforts aim at creating a safe working environment and ensuring employee well-being, among others.

[GRI 403-5]



Fire Prevention and Fighting

In addition to the scheduled fire drills with the local Police Department of Fire Fighting and Prevention, HDBank's business units arrange for employees to perform their own firefighting drills every three months. Accordingly, fire protection equipment is maintained to be in good working conditions and ready for use, and employees are trained on how to use fire extinguishers and on-site fire protection equipment for prompt and coordinated responses to minimize the damage in case of an incident. In 2023, all of HDBank's business units, the headquarter, and facilities of the headquarter held fire drills coordinated by the Police Department of Fire Fighting and Prevention, with almost 1,500 participants.



Security

HDBank's business units work closely with security service providers on a regular basis to establish security plans tailored to the specific scenario at their buildings. The Head of the Business Units are in charge of communicating the building protection plans to all personnel. The alarm systems of all HDBank business units are directly connected to the local police stations. In addition, HDBank created robbery prevention training videos in collaboration with security guards and the Bank employees to serve as internal training materials for business units.



Vehicle Management

HDBank has introduced a simple driver's manual to assist drivers in understanding HDBank's Vehicle Management requirements in compliance with Traffic Law and Code of Conducts during their work. The Bank also offers training sessions in different formats, including focus group, online or in-person training, to provide drivers with instructions on how to deal with unexpected scenarios.



5S

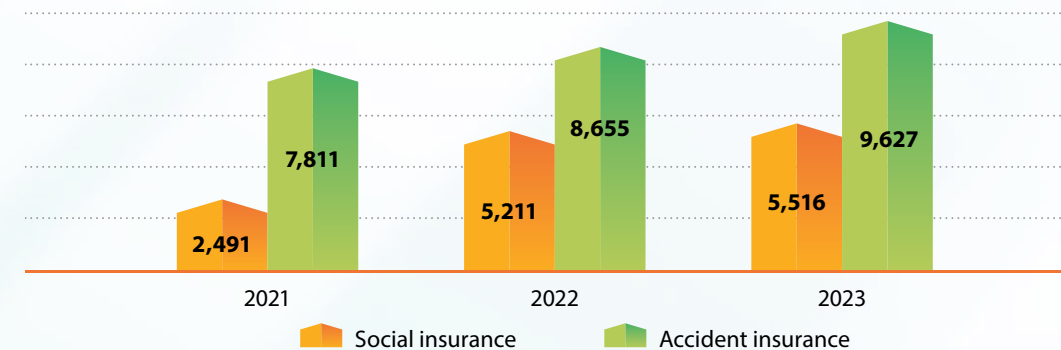
HDBank has released newsletters and coordinated with local environmental management agencies to conduct annual and ad-hoc environmental inspections and monitoring reports in order to provide employees with a clean and pleasant working environment.

HDBank achieved zero work-related accidents or injuries in 2023. **[GRI 403-2 & 403-9 & 403-10]**

Annual health check-up is provided to all employees to improve awareness on their current health. The Bank also provides health and accident insurance coverage to its employees, which helps to ensure their safety and financial stability. Employee records on the MIS system are updated with health status information based on the results of annual health check-up. This information is absolutely confidential and can only be accessed by employees themselves. **[GRI 403-6 & 403-8]**

Number of employees participating in health insurance and accident insurance

Unit: Employee



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

Furthermore, HDBank provided in-kind incentives in addition to cash payments to promote the health of treasury operations personnel, including the vault management board and employees working in the treasury department including treasury tellers and tellers. In 2023, the total amount of support for these employees exceeded VND 8 billion.

The Bank has organized a variety of cultural, sports, and physical activities to provide a healthy playground for employees after stressful working hours, such as an online running competition with the theme "HDBank WeRace"; the HDBank Runners Festival at the Green Can Gio Marathon 2023; exercising before and after work, etc. The Bank also encourages and facilitates employees to attend the first Banking Sports Festival 2023 and achieve great results, promoting the spirit of physical fitness and sports, and boosting the overall health of the Bank's personnel.



| HDBank Runners at the Tien Phong Marathon

2.5 ACTIVITY/PROGRAM HIGHLIGHTS

✦ Employee health insurance program and 24/24 accident insurance

Recognizing the practical benefit of the availability of health insurance coverage for employees during the past time, as well as improving welfare policies and facilitating employees for long-term commitment and contribution to the overall growth, HDBank extended its health insurance program to all employees with at least two years of service across all business units in 2023. Some highlights for the extended insurance policies are as follows: **[GRI 401-2]**

- Various benefits including outpatient and inpatient, death/bodily injury coverage, and maternity with insurance payout based on employee's position at the Bank;

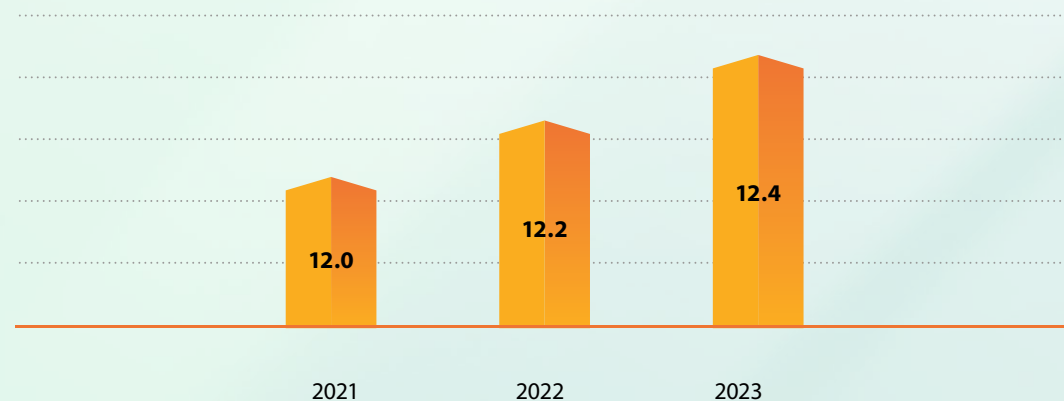
- On-demand health checks applicable to leadership levels in addition to routine health checks.

Furthermore, relatives of HDBank employees will be eligible for incentives upon enrollment in HDB CARE program, a health insurance policy that offers particularly attractive insurance benefits and premiums, as well as preferential rates and extended coverage.

Besides that, any employee who enters an official labor contract with HDBank will be provided 24/24 accident coverage with a maximum payout of up to 30 months' salary. **[GRI 403-6]**

Total cost of health and 24/24 accident insurance premiums for employees over the years * (Billion VND)

Unit: Billion VND



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

2.6 FUTURE INITIATIVES

HDBank is expected to develop a workload-based bonus payment assessment mechanism specifically for Head Office employees to boost employee productivity and engagement, ultimately enhancing the Bank's overall performance

2.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



3. MATERIAL TOPIC 3:

DIVERSITY, EQUALITY AND HUMAN RIGHTS

3.1 GOVERNANCE PERSPECTIVE

HDBank cultivates a workplace culture of equality and non-discrimination, valuing every employee's capabilities and contributions, regardless of background. The Bank actively promotes diversity and equality in all human resource practices to foster diverse perspectives, encourage innovation and creativity, and empower employees to achieve inclusivity and job efficiency. This approach benefits employees and customers alike while creating sustainable value for HDBank and the broader community.

The Bank upholds all human rights laws, including the prohibition of child and forced labor, and ensures that its partners share this commitment and adhere to all legal regulations. HDBank also incorporates labor safety, human rights, and zero child labor provisions into legally binding agreements with its suppliers.

Employee engagement is a priority for HDBank's management, who actively seek and consider employee feedback before implementing decisions and policies. The Bank has also established a grievance mechanism to ensure employee voices are heard and their rights are protected, fostering a positive and productive work environment.

3.2 OBJECTIVES & DIRECTION

HDBank's objective is to ensure respect for human rights, foster equality and diversity within the workforce, and maintain and grow the number and proportion of female employees. The Bank has launched a range of initiatives to listen to employees' feedback and strengthen the engagement between HDBank's leadership and employees

3.3 STRATEGIC ACHIEVEMENTS

HDBank is recognized as a

"Gender Equality Star"

" in the TOP 50 Corporate Sustainability Awards 2023 (CSA 50) by Nhip Cau Dau Tu Magazine

HDBank is also named among the Outstanding Sustainable Enterprises in Vietnam 2023 -

"Gender Equality" Category (CSA50)

As of December 31, 2023, the proportion of female employees accounted for more than

55%

of the total number of employees

83.5% of employees

expressed their satisfaction with HDBank's work environment, welfare policies, as well as training and development policies in 2023

3.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

A. A fair, equitable and diverse workplace

On the recommendations of respectable global financial institutions (including IFC, DEG and Leapfrog Investments), HDBank has issued a Policy on Anti-Discrimination and Grievance Mechanism to safeguard employees' rights, specifically:

- Fairness and equality in recruitment practices
- Parity in employment relationships
- Equal pay
- Gender equality
- Rights to form, join and participate in activities of the employee's representative organization at the grassroots level
- The rights of people with disabilities
- Non-discrimination against people living with HIV
- Grievance and whistleblowing mechanisms (hotline)

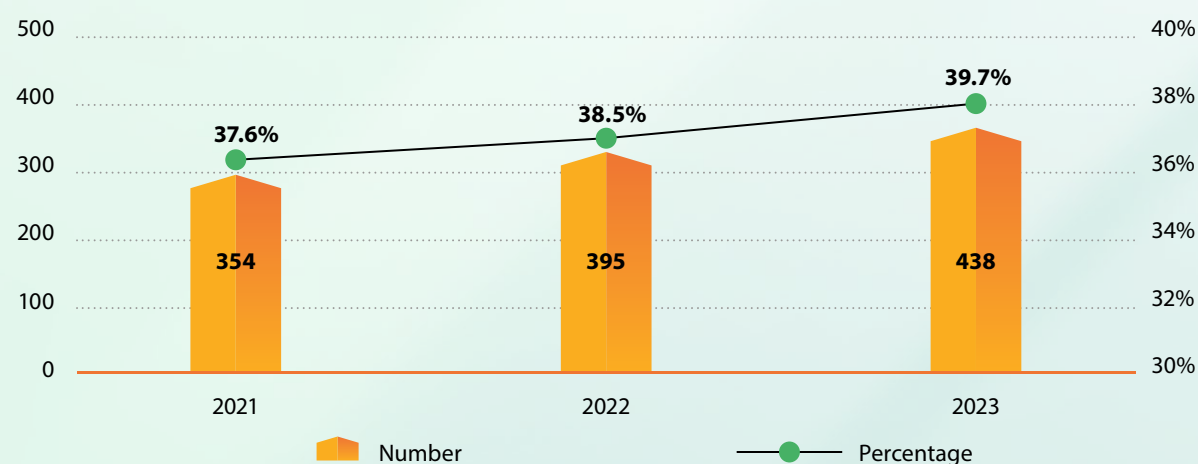
The Bank has put in place clear and detailed anti-discrimination policies that all employees must comply with. HDBank ensures that all employees, regardless of gender, age, ethnicity, or other characteristics, receive fair

and equal treatment in all aspects of human resources. This includes hiring, training, career development, compensation allocation, and the provision of welfare.

By December 31, 2023, female employees accounted for more than 55% of HDBank's overall workforce, with the majority exceeding 50% in most regions of operation across the country. Specifically, female employees account for 39.7% of the management team, totaling 438 individuals, a proportion that has remained consistently high in recent years. The Bank also provides special benefits for female employees, such as organizing events and giving gifts on International Women's Day (March 8) and Vietnamese Women's Day (October 20), makeup allowance, childbirth allowance, support for prenatal check-ups as required, and flexibility for arriving late or leaving early than official working hours, among other supportive measures. **[GRI 405-1]**

Number and percentage of female managers *

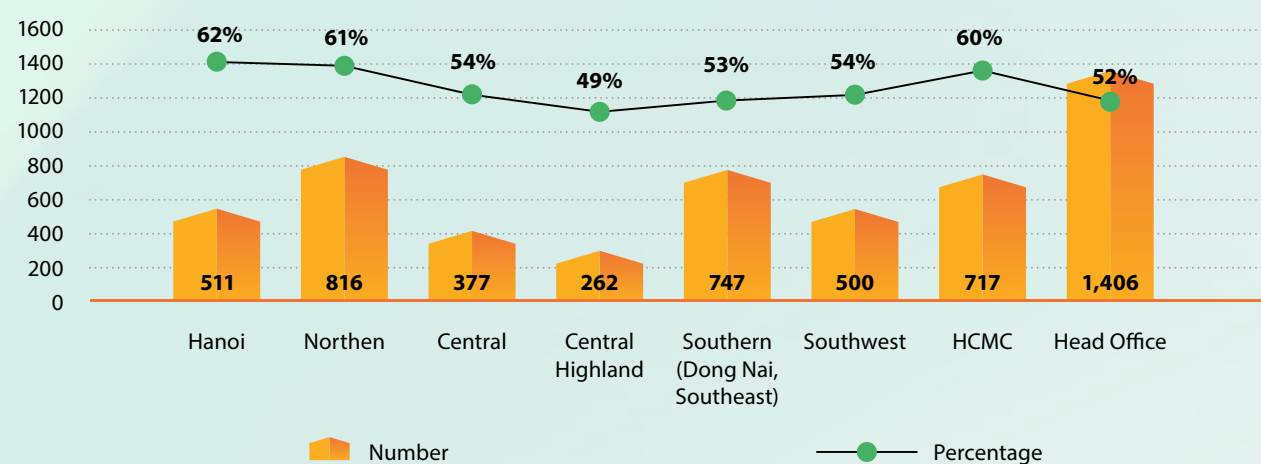
Unit: Employee and %



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

Number and percentage of female employees in 2023 *

Unit: Employee and %



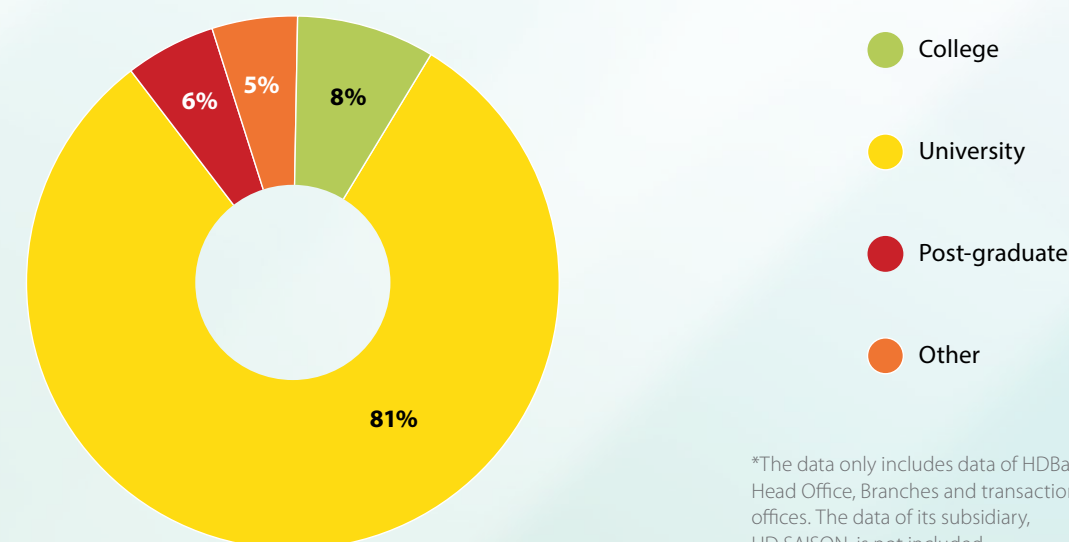
*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included.

In addition to assessing the Bank's commitment to gender equality based on the number and ratio of female management members, HDBank ensures diversity by age, qualifications, nationality, capacity, and experience to foster a diverse and equal workplace. Furthermore, the Bank promotes programs and policies that support diversity and equality across the organization, such as training programs and comprehensive skill development, with the goal of raising employee awareness of these issues.

In 2023, HDBank organized activities to raise awareness about gender equality and respect for women on International Women's Day (March 8) and Vietnamese Women's Day (October 20). Additionally, the Chairman and CEO expressed their heartfelt congratulations and deep appreciation to all female employees. This recognition goes beyond mere courtesy; it firmly acknowledges the vital role women play in HDBank's growth and achievements. HDBank emphasizes that women's contributions and efforts are not only a source of inspiration, but also a key factor in the creation and development of a sustainable, efficient, and humane business. The Bank is committed to fostering an equal workplace where all individuals, especially women, are valued and empowered to thrive. This commitment strengthens women's roles both in business operations and the Bank's overall success..

Headcount breakdown by qualifications in 2023 *

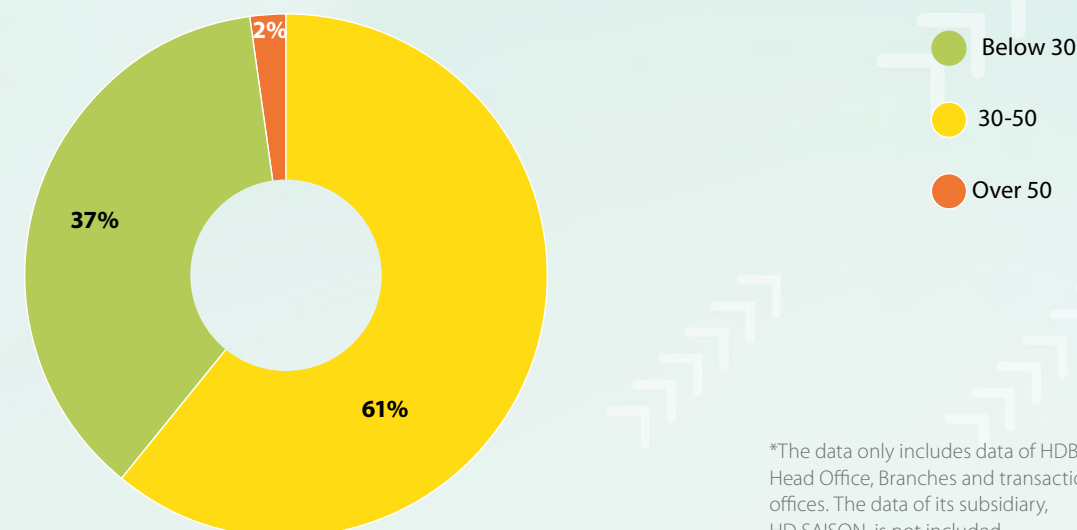
Unit: %



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included

Headcount breakdown by age in 2023 *

Unit: %



*The data only includes data of HDBank's Head Office, Branches and transaction offices. The data of its subsidiary, HD SAISON, is not included

✧ Grievance Mechanism

[GRI 2-26]

At HDBank, employees are responsible for reporting violations or suspected cases of discrimination through the following channels:

- 24/7 hotline at 1900.6060 that connects to the Call Center
- Direct report to Head of the Unit, Human Resources Division, representative of the Executive Committee of Trade Union, or competent authority
- Other reporting mechanisms approved by the CEO from time to time

The Policy on Anti-Discrimination and Grievance Mechanism dictates that employees complaints must be addressed immediately in compliance with legal regulations and the Bank's internal regulations. Identities of both the whistleblower and the alleged must also be protected during the process. The Human Resources Division will be the point of contact for receiving cases from employees and will closely work with relevant units to clarify and/or resolve the complaints. In 2023, the Bank recorded no cases of complaint or denunciations from its employees.

B. Commitment to human rights

HDBank is committed to good employment practices in compliance with the laws, respect for and protection of human rights. The Bank also renounces all forms of child labor, including compulsory or forced labor. In 2023, the Bank recorded no cases of complaint or violation of human rights. [GRI 406-1]

✧ Commitment to Child Labor-free

The Bank does not employ child labor in any form in its organization. All employees must be from 18 years old and above.

✧ Commitment to Forced Labor-free

The Bank strictly adheres to the Labor Code and relevant regulations on the rights and obligations of employees. All HDBank employees must sign an employment contract in accordance with legal regulations and enter into a Collective Labor Agreement [GRI 2-30] that specifies clear workplace conditions, compensation and benefits, assigned tasks, general requirements, and other entitled

benefits. The employee must be informed of any changes to working conditions that deviate from the signed contract or when overtime is required. All decisions pertaining to the rights and benefits of employee must be made after reaching an agreement or negotiation with the employee.

Additionally, HDBank, within its capabilities, shall ensure that its partners and suppliers do not participate in any activities that go against human rights, involve child or forced labor, or violate legal regulations or international practices. The Bank has established Procurement Policy that outlines clear requirements on supplier capabilities. Specifically, suppliers must comply with legal regulations, ensure work safety, respect for human rights, and renounce child labor among others. This policy is an integral part of new supplier selection process as well as the annual evaluation process for existing suppliers.

[GRI 408-1] [GRI 409-1]

C. Engagement between leadership and employees

At HDBank, the Trade Union represents all employees and safeguards employees' legal rights and benefits. It initiates collective bargaining, enter into agreement and monitor the performance of collective labor agreement, labor regulations, and C&B (compensation and benefits) policies. Additionally, the Trade Union serves as the representative party in meetings regarding labor discipline and labor dispute. [GRI 407-1]

Employees' opinions are always solicited to enable HDBank's Board of Directors to make informed decisions. To do so, the Bank has organized various feedback mechanisms including email, direct meeting, or stakeholder meetings to develop and implement specific procedures, regulations, and policies. For issues that directly impact employees such as resignation, discipline, dismissal, or change of workplace, the Bank always turns to the Trade Union to discuss and inform said employees before official announcement. The time limit for such announcement or discussion are specified in the various documents, including the Collective Labor Agreement, Internal Work Regulations, Discipline Procedure, and Resignation Procedure. [GRI 402-1]



HDBank's Board of Directors and Board of Management at the "Endless Inspiration" Talkshow, inspiring business emulation among staff and employees.

Each year, HDBank organizes various networking events and conversation initiatives to foster engagement between the Bank leadership and employees. These include CEO Speakout, Happy Friday, and online discussion with Board of Directors and CEO on the topic of "Endless Source Of Inspiration". A highlight of these efforts is the Happy Friday program held in different regions across the country from 2023 to 2024. This program provides employees an opportunity to talk, share, and interact with HDBank's leadership in a merry and shared environment.

HDBank also organizes frequent direct dialogues where bank leadership representatives address questions and concerns of employees and improve their understanding of HDBank's development goals. As these initiatives took place, various competitions including "HDBank in me" and "My Favorite Book" writing contests, "My Elegant HDBank" photo contest, and "Our Work Stories" video contest have become flagship programs, a pride that connects thousands of HDBank employees together.

Other internal competitions such as the "HD Green Award" and "I love HDBank" are also organized every year to foster engagement across different departments. They also demonstrate HDBank leadership's efforts in increasing dialogue to listen to its employees and strengthen the long-term relationship between the Bank and its employees.

HDBank also carries out annual evaluation to gauge employee satisfaction across different aspects

including working environment, workload, meaningful compensation, and welfare policies among others, in order to understand the need and aspiration of its employees.

Additionally, HDBank undertakes annual surveys on employee satisfaction with Head Office departments. This allows the Bank to evaluate the effectiveness of policy development and implementation as well as service delivery quality to foster a performance-oriented culture. Results on collaboration quality across different departments are also leveraged to assess various criteria for establishing online KPIs for employees.

3.5 ACTIVITY/ PROGRAM HIGHLIGHTS

✧ Happy Friday

"Happy Friday" is an engagement effort led by Human Resources Division in collaboration with other divisions and departments of the Head Office, Branches, and Transaction Offices across the country. It aims at fostering relationships between HDBank leadership and employees. Additionally, the program serves as a platform for the Bank's leadership to extend appreciation for the significant contributions made by various units towards HDBank's overall success, while also promoting corporate cultural values.



“Happy Friday” - an engaging internal program to create a joyful and close atmosphere between the Board of Directors and employees.

The program exudes a lively and upbeat atmosphere, featuring region-specific themes tailored to different areas of Vietnam. “Happy Friday” offers a diverse range of engaging activities designed to promote interaction among leadership and employees alike. Key activities include leaders personally serving regional delicacies to employees, a Happy Friday Fashion Show highlighting the traditional elegance of the Southwest Region, and the TipBox initiative aimed at raising charity funds to support HDBank’s social welfare endeavors. These activities demonstrate the care and gratitude of the leadership for the staff’s contributions to HDBank’s overall achievements. They also serve as platforms for motivation, knowledge sharing, and experiential learning, with opportunities for staff to ask questions and engage directly with leadership. In 2023, the program achieved notable success, with a

total of five “Happy Fridays” hosted across specific regions, drawing participation from a combined total of 700 managers from across the organization.

- **December 20, 2022:** Head Office, Ho Chi Minh City
- **February 17, 2023:** Ha Noi City, Northern Region
- **April 28, 2023:** Central Region
- **June 26, 2023:** Southeast Region, Central Highlands
- **May 8, 2023:** Southwest Region

This program has steadily garnered numerous successes, fostering deeper understanding between the staff and the leadership and thereby laying the groundwork for cultivating a team of committed, long-term employees within HDBank.

3.6 FUTURE INITIATIVES

HDBank plans to bolster its promotional efforts to raise awareness and understanding of relevant laws and regulations, while also providing comprehensive training on anti-discrimination, equal treatment, and respect for human rights in the workplace to both employees and stakeholders. Additionally, the Bank will continue to prioritize and expand initiatives that encourage and facilitate engagement between employees and leadership.

3.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



4. MATERIAL TOPIC 4: CUSTOMER VALUES

4.1 GOVERNANCE PERSPECTIVE

HDBank always places customers at the forefront of all its endeavors, continually striving to exceed the expectations of both institutional and individual customers with the Bank’s products and services. Central to this commitment is the Bank’s dedication to accompanying customers, enhancing their experience, fostering trust, delivering value, and safeguarding their rights. To fulfill this pledge, HDBank prioritizes active listening to grasp the desires and preferences of its customers. Through this understanding, the Bank ensures the provision and ongoing enhancement of products and services tailored to meet customer needs. Furthermore, the collection of customer feedback and comments serves as a crucial tool for HDBank to promptly address and rectify any issues that may arise, continuously improving its customer care initiatives, refining the customer journey, and enhancing overall customer experience.

In its pursuit to foster trust, deliver value, and safeguard customers’ rights, HDBank always ensures information transparency when advising and offering products and services to its customers. Moreover, the Bank is committed to upholding the information security of all individual and business customers whose data is entrusted to HDBank’s care.

HDBank firmly believes that customer trust and satisfaction are pivotal in driving success and realizing the Bank’s objectives. Through these commitments and concerted efforts, HDBank aims to emerge as a trusted partner and companion to its customers across all facets of life and business.

4.2 OBJECTIVES & DIRECTION

HDBank remains dedicated to enhancing the customer experience through ongoing efforts in digital transformation, diversifying its product offerings, swiftly addressing feedback, and providing timely customer care, all of which aimed at achieving exemplary results in customer satisfaction assessments. Moreover, the Bank tries its best to minimize instances of consulting violations,

the dissemination of inaccurate information to customers, violation of customer information confidentiality rights, and unauthorized disclosure of customer data.

4.3 STRATEGIC ACHIEVEMENTS

Best Retail Bank Vietnam 2023

(International Business Magazine)

The Most Innovative Digital Banking Provider in Vietnam in 2023

(The Global Economics)

Average customer satisfaction score across 3 survey channels (over-the-counter, traditional channels, and online app) of

4.86/5 in 2023.

Net Promoter Score of

89% in 2023.

No recorded complaint cases on customer information security violation or unauthorized disclosure or leak of customer data in 2023. **[GRI 418-1]**

4.4 IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES



A. Customer-Centric Listening: Driving Insights and Action

The collection and analysis of customer needs are integral parts to HDBank's product and service development process. This allows the Bank to provide the most suitable offerings to customers. HDBank's product development process typically involves the following main steps:

- Gathering opinions from units
- Developing and reviewing detailed product development plans
- Implementing product development plans
- Testing and finalizing the product
- Pilot implementation and evaluation of results
- Official roll-out.

Additionally, HDBank employs the RFM model (Recency - when the customer's most recent purchase takes place, Frequency - how often a customer makes purchases, and Monetary - how much each customer's purchase costs). This enables the Bank to gain customer insights in order to provide optimal products. Details on the RFM model can be found in the Material Topic 5: Promote Digital Transformation and Data Security under Pillar 1: Governance.

HDBank implements a structured process to efficiently address customer inquiries concerning products, services, and service quality. This process outlines responsibilities, steps, and timeframes for receiving and handling customer feedback. HDBank offers various channels for collecting information, including responses

to complaints, feedback, suggestions, and other forms of communication. These channels include:

- Direct contact at the HDBank's office
- Contact via hotline at 1900 60 60 for support as well as routing to Business Units, Head Office Departments or Call Center
- Via Email, Website, Facebook
- Via official letter by post
- Direct communication with relationship managers and customer support team

All customer complaints at HDBank are systematically addressed in accordance with approved procedures. Reviews and updates of the feedback processes are periodically conducted to ensure alignment with legal requirements, internal policies, and customer expectations. Urgent complaints are promptly escalated by the receiving unit via emails and phone calls to ensure timely resolution. Cases requiring legal counsel or specific procedures are handled in accordance with relevant regulations. Moreover, HDBank has established a Quick Response Committee dedicated to addressing and monitoring complaints, feedback, and reports. In 2023, the Bank achieved a 100% rate of promptly resolving customer complaints.

Aside from handling customer feedback and complaints, HDBank actively gathers reviews and suggestions from institutional and individual customers using the Bank's products and services via various survey channels. Through these surveys, HDBank gains valuable insights into areas of excellence for further promotion, as well as identifies areas where customers express dissatisfaction, enabling targeted improvements.

Customer feedback channels at HDBank

ONLINE VOC VIA HDBANK MOBILE BANKING APP

- Customer rates the app in the "app rating" section on the scale of 1-5 stars in HDBank application
- Unusual cases are identified/handled/reported to leadership during BAU operations at BU
- Frequency: Daily

ACTIVE LISTENING

- Following a successfully OTC transaction, customer who provided email will receive an automatic thank-you email attached with a link to other products/services and a link to feedback.
- Email sending time: within the day of transaction
- Customer receives maximum 1 email within 15 days to avoid bothersome.

FEEDBACK ON SOCIAL MEDIA

- Teller at BU will hand out a feedback form to check customer satisfaction on service and delivery quality
- Frequency: every 6 months
- Number of survey respondents: 10 customers/BU

ONLINE VOC AT THE COUNTER

- Customer scan QR code at the counter, waiting area, and ATM to make rating from 1-5 star across 6 criteria
- Feedback time: 24/7
- Processing time: Within 8 hours of in a business day

OFFLINE VOC AT THE COUNTER

- Agent performs cold call based on defined script to check satisfaction of customer conducted OTC transaction
- Frequency: quarterly/bank-wide
- Customer subject to survey are those who conducted transactions in the last 30 days.

CALL CENTER

- Call center receives complaints/feedback from customers via phone, fan page, website, and email channels
- Complaint cases are handled according to applicable relevant procedure at HDBank

Average customer satisfaction across survey channels, 2021-2023

2021	2022	2023	3 years average
Over the counter: 4.97	Over the counter: 4.98	Over the counter: 4.99	4.85/5
HDBank app: 4.84	HDBank app: 4.84	HDBank app: 4.84	
	Offline channel: 4.52	Offline channel: 4.76	
Average: 4.9/5	Average: 4.78/5	Average: 4.86/5	

In 2023, HDBank's customer satisfaction survey revealed that 89% of respondents expressed a willingness to recommend the Bank's products or services.

The Bank officially launched its social listening initiative in the same year. Since its inception, nearly 5,000 thank-you cards have been sent to customers who conducted OTC transactions and registered their email addresses in the system.

❖ Mystery Shopper

To assess internal capacity in adhering to service quality standards and to evaluate operational efficiency from data collection to customer interactions, HDBank has launched the Mystery Shopper program across all its business units. This program meticulously evaluates service quality, including assessment on facilities, counter transaction service, and staff performance. Additionally, transaction turnaround time at the counters are measured against predefined benchmarks. Through this initiative, HDBank gains insights into its competitive advantages compared to industry peers concerning service quality and the customer experience journey.

In 2023, there was notable progress in the service quality assessment compared to 2022. Six percent of units attained a “Good” (A) rating across categories encompassing facilities, customer service quality, and security staff, while 84% of units achieved an “Average” (B) rating. The system-wide averages for transaction waiting time and transaction duration in 2023 were recorded at 2.04 minutes and 12.21 minutes, respectively.

B. Customer experience enhancement

❖ Elevate customer Journey Through Digital Innovation

With a customer-centric ethos at its core, HDBank consistently prioritizes digital transformation to enhance the customer experience by refining and enriching the customer journey. The Bank is always committed to streamlining processes and bolster safety, convenience, and appeal across its products and services, in order to attract new customers and retain existing ones.

HDBank has embraced technology to support consulting, sales, and customer care in line with its vision of becoming a Happy Digital Bank. In the past year, HDBank implemented several noteworthy initiatives, including:

- Introduction of the Happy Digital Sales app to streamline and manage sales activities through digital channels
- Implementation of Robotic Process Automation (RPA) technology to reduce processing times for operations and transactions while enhancing accuracy
- Rollout of new features on the Customer 360 system to facilitate various operational processes such as fund transfers, deposits, withdrawals, and account opening for both new and existing customers
- Development of a Deep Learning model within the C360 app to optimize product recommendations for tellers, enhancing their efficiency in serving customers
- Integration of AI into consulting and customer care activities through the implementation of Chatbot and Voicebot systems.
- Digitization of the appraisal process and the official deployment of the C-LOS and R-LOS systems

Details on digital efforts in sales activities can be found in Material Topic 5: Promote digital transformation and data security under Pillar 1: Governance.

Additionally, the Bank piloted the Kiosk Banking system to deliver a seamless self-service experience. This development marks the introduction of digital branch models, enabling customers to conduct automatic transactions that were previously exclusive to physical branches.

In addition to digitalizing sales and customer care processes at transaction counters and online channels, HDBank extends its digital transformation to offer outstanding products and solutions tailored to diverse customer groups. These initiatives aim to deliver the best experiences to customers, including:

Corporate customers:

Enhancing banking experience on modern digital platforms for Corporate customers:

The virtual account solution

Facilitates identification of partners in money transfers and payments as well as enabling ease of transaction tracking and investigation for businesses and organizations.

The “eCMB” solution, a comprehensive online transaction package designed specifically for businesses

Fully incorporate banking services for corporate clients, providing a complete suite of utilities to conveniently manage finances on a digital platform with top-tier security:

- » **For cash management, eCMB offers various useful tools including:** eAccount for online account management, eBanking for electronic banking transactions, eDoc for online document transfers, and eCash for cash collection via digital applications
- » **For trade financing, there are various online tools at customers’ disposal:** eTT for online international money transfers, eLC for online letters of credit, and eFactoring for online supply chain financing
- » **For business capital solutions, corporate customers can use various credit tools including:** eZyloans for 100% online supermarket supplier financing, eCredit for 24/7 online business credit, and eDrawdown for online disbursements.
- » **Other business support services:** eFEX for online foreign currency transactions, Happy Di-Payroll for hassle-free salary payment services; Non-cash payment solutions include dynamic or static QR codes for money transfers and transactions, POS payments, e-commerce online payment gateways, cash collection solutions, online SSC tuition payments, ePass traffic top-ups, comprehensive payments to hospitals and schools via dynamic QR codes, and smartPOS integrated kiosk, among others

HDBank also stands by its corporate customers, offering support to overcome challenges. This includes initiatives to reduce loan interest rates for existing-to-bank corporate customers; promote low-interest rate loan programs to provide cost-effective capital to corporate customers, especially those in priority sectors such as production, agriculture, industrial parks, export processing zones, and import-export activities to reduce financial burdens, enhance product competitiveness, and support business stability.

Retail customers:

eKYC app	facilitates swift online account opening processes for customers
One-Click Banking	Personalized for diverse financial needs, this feature allows customers to conveniently perform various transactions, such as money transfers, bill payments, and other banking activities, all within the HDBank “All in App”.
The Muadee by HDBank App	offers a “Buy Now, Pay Later” payment solution, with various features including: » Quick online registration and approval within 5 minutes, with an immediate credit limit of up to VND 30 million. » Flexible installment payments anytime, anywhere. » Secure transactions guaranteed by HDBank.
Online Loan Transactions	Customers can easily conduct loan transactions through HDBank’s mobile application, website, or other online platforms
Vikki app pilot	Vikki aims to provide free, fast, and user-friendly digital banking services to enrich daily lives of our customers through diverse and innovative products and features. These include: » Free of charge instant issuance of virtual debit cards upon account opening. » Comprehensive online customer support that allows customers to have their issues resolved without going to physical branches. » Hassle-free online savings account opening within 5 minutes with multiple term options. » Daily-life services such as bill payments, QR code payments, and quick money transfers between Vikki and HDBank accounts.

HDBank’s digital transformation journey has significantly expanded access to financial services for millions of Vietnamese individuals. For many years, the Bank has shifted its focus to promoting agricultural and rural lending, supply chain financing, and supporting small traders and business households. To better serve farmers and promote modern agricultural development, HDBank developed the HDBank Rural application service. Furthermore, HDBank has established a comprehensive website system spanning all 63 provinces and centrally-run cities in Vietnam, attracting thousands of visits and registrations. Details can be found in the Material topic 5: Financial Inclusion under Pillar 3: Social.

The promotion of digital sales processes and the application of digitalization to HDBank’s products and services have significantly enhanced customer appeal. By the end of 2023, the number of eBanking accounts surged by 97.6%

compared to the previous year. Moreover, the total volume of financial transactions conducted via HDBank’s eBanking skyrocketed by 131.6% in 2023 compared to the corresponding period in 2022.

Collaboration with strategic partners for product development and promotion programs implementation

To enhance customer experience and deliver top-notch products and services, HDBank collaborates closely with strategic partners to deploy compelling offerings tailored to meet customer needs. Some notable products include:

» Partnership with VietJet Airlines:	» Introducing the HDBank Vietjet Platinum premium co-branded credit card, offering exceptional benefits for shopping, travel, and more. » Providing a solution to facilitate customer registration as SkyJoy members through the HDBank app, enabling them to accumulate transaction points and redeem rewards within the Sovico Group’s ecosystem. » Offering promotions for HDBank international credit cardholders when purchasing Vietjet airline tickets
» Collaboration with Vietnam Petrolimex:	Launching the HDBank - Petrolimex “4-in-1” co-branded super card, integrating Credit card, Debit card, and Prepaid card functionalities, while also serving as a means of identifying loyal Petrolimex customers (Petrolimex ID).
» Partnership with other organizations such as JCB, VISA, and NAPAS:	Introducing various outstanding products, services, and incentives, including the premium HDBank JCB Ultimate credit card, HDBank Visa Signature premium credit card, and HDBank Napas debit card.



HDBank continuously earns the trust and appreciation of its partners throughout the collaboration process and product delivery to customers. This ongoing recognition underscores HDBank’s unwavering commitment to delivering the utmost value and experience to its customers.

NAPAS	VISA	MasterCard, an international card association
Acknowledged hdbank as the top organization in terms of growth rate of napas 247 transactions in 2023, with an impressive rate of 126.24%.	presented HDBank with the “Impressive Growth Bank in Credit Card Transaction Volume 2023” award. Moreover, in 2023, the number of HDBank credit cards issued surpassed the 500,000 cards.	Bestowed three prestigious awards upon HDBank: “Leading bank in credit card payment acceptance volume”; “Leading bank in debit card payment acceptance volume”; “The first bank in the market to issue a 4-in-1 super card.”



In addition to providing quality products and services, HDBank offers numerous incentives to express gratitude and enhance customer satisfaction

HDBank’s loyalty program	Stands out as a prime example of the bank’s commitment to maximizing benefits for its customers. Through this program, loyal hdbank customers earn points with every valid transaction, which they can exchange for attractive gifts from the bank.
---------------------------------	---

The “HAPPY ZONE 365” initiative

Offers hdbank cardholders a plethora of privileges and savings opportunities, with discounts of up to 50% at numerous renowned brands spanning cuisine, shopping, travel, entertainment, and more.

HDBank Priority – “Special privileges with increased benefits”

Provides exceptional privileges and upscale experiences to eligible customers, from dedicated service spaces and teams to exclusive perks like golf privileges, along with financial incentives such as preferential interest rates and service incentives.

Furthermore, HDBank offers various attractive programs for customers, including preferential interest rates, rewards for opening co-branded cards with major partners, and referral incentives to HDBank products and services.

❖ Complete and accurate production information [GRI 417-1]

HDBank prioritizes providing comprehensive information about its products and services to customers through email communications and postings on the official website. To ensure legal compliance and safeguard customer rights, HDBank has developed a robust policy aimed at protecting customer interests. This policy encompasses information security measures, privacy protection protocols, and guidelines for tailoring product packages to meet individual customer needs. In 2023, HDBank introduced a Grievance Mechanism designed to assist customers encountering issues related to incomplete or inaccurate product and service consultations.

HDBank has established a Code of Conduct outlining regulations for employee conduct when interacting with customers. This Code sets forth principles that employees must adhere to when conducting operations or engaging with customers. Several crucial principles ensure the provision of complete and accurate information to customers, including:

- Clear and honest communication with customers
- Professional and timely customer care, ensuring service quality
- Documentation of discussions and finalization of any issues before concluding the conversation
- Confidentiality of information related to customers

The Bank implements remote monitoring processes conducted by Head Office departments and ad-hoc inspections to prevent fraud and safeguard customers' rights. Remote monitoring for business units is executed through video cameras, reports, and other tools by the Compliance Department. Supervision is based on department-specific targets established across the Bank, which are reviewed and updated annually. Moreover, the Bank selects samples

for inspection according to regular and unscheduled plans. In 2023, sampling inspections were conducted at 242 out of 345 business units throughout the system. Additionally, the Customer Service Management Department conducts record checks at business units based on predetermined criteria.

HDBank has implemented a Code of Conduct for staff involved in providing consultation for complex products like insurance that require clear communication with customers. This Code aims to enhance the capacity, professionalism, roles, responsibilities, and ethics of consultants in insurance business activities. HDBank also focuses on controlling the quality of consultation and the manner in which employees are compensated for selling insurance products. This allows the Bank to safeguard customer interests by prioritizing the provision of accurate and complete product information during consultations.

In addition to the aforementioned regulations and measures, HDBank organizes continuous training and knowledge update sessions for its consulting and sales staff. These training sessions encompass both business operations and ethics, as well as customer experience management to best safeguard customer interests and improve their experience with HDBank's products and services. As part of the new recruit training program, HDBank ensures that information security and professional ethics are integral components. Following training, 100% of new recruits will undergo evaluation. Furthermore, the training center organizes the annual contest on “Information Security and Professional Ethics”, involving over 2,500 employees bank-wide in 2023. Thanks to these robust measures, HDBank has maintained a clean record in the past year, with no recorded violations related to advertising, providing, or consulting on product and service information that fails to comply with legal regulations or HDBank's internal regulations and principles.

[GRI 417-1]

C. Customer data confidentiality

HDBank stays committed to information security, safeguarding the privacy of both organizations and individuals whose information or data is stored at the Bank. Through diligent data management, storage, and retrieval practices aligned with legal regulations and international standards, HDBank ensures the rights of its customers and stakeholders, bringing peace of mind, trust, and satisfaction among all organizations and individuals using its services and products.

To ensure compliance with Decree No. 13/2023/ND-CP on personal data protection, HDBank has designated the Director of Information Technology & Digital Banking Division to oversee and implement tasks related to safeguarding personal data. Additionally, HDBank has introduced various forms and documents pertaining to personal data processing practices. These include sample sets for processing personal data of individual customers conducting transactions at HDBank, documents confirming consent to personal data processing activities, and regulations outlining information system security. The Bank also adopts various documents regarding information security in compliance with regulations of the State Bank of Vietnam (SBV).

Furthermore, HDBank actively promotes awareness of various forms of fraud and offers recommendations to ensure the security of customer information and accounts. The Bank provides dedicated hotlines for customers to contact in case of doubts related to transaction fraud. Through email and mobile applications, HDBank also proactively disseminates information to customers about various forms of fraud and impersonation tactics aimed at appropriating customer assets. In 2023, HDBank's recorded no complaint cases of customer information security violation or unauthorized disclosure or leaking of customer data. **[GRI 418-1]**

Additionally, HDBank has stepped up the application of technical solutions to bolster information security for its systems. The Bank has also enhanced the management and supervision of banking activities, leveraging information technology, and collaborating with state agencies to detect and promptly address any related violations. Furthermore, HDBank has ramped up training initiatives for employees to raise awareness and ensure compliance with information safety and security protocols. Details can be found in the Material topic 5: Promote Digital Transformation and Data Security under Pillar 1: Governance.

4.5 ACTIVITY/PROGRAM HIGHLIGHTS

❖ One-click feature

In line with the “All in App HDBank” ethos, HDBank has made significant strides in digital banking services, offering over 100 features and linking with over 200 service providers to best address customer needs through a single application. With the HDBank app, users can efficiently conduct various transactions with just a single touch of the screen.

Previously, users had to navigate through multiple steps to perform daily transactions such as mobile phone recharges, bill payments, online savings account openings, insurance purchases, and more. However, with the HDBank app, users can now effortlessly complete all these transactions on a single platform. Some notable features that are integrated and can be done directly on HDBank application include:

General functions:

- » **Sign-in options** - Biometric authentication such as fingerprint or facial recognition or by entering a PIN code
- » **Virtual Assistant (Chatbot)** - Enabling users to complete transactions using voice commands or keywords
- » **OTP Authentication** - Integrating OTP authentication into the application, ensuring convenience and safety for customers during authentication and complying with security requirements set by the SBV

Financial management functions

- » **Account information query** - Information about Payment accounts, Savings accounts, Loan accounts, Credit card accounts, etc.
- » **Money Transfer** - Money transfers within HDBank, as well as to other banks participating in the NAPAS system (24/7 automatic fast money transfers and fast money transfers via card)
- » **Savings account opening** - Provide up-to-date information on savings account terms and interest rates. Users can swiftly open a savings account in just a few seconds, monitor the status of their account regularly, and make payments seamlessly
- » **Group fund management** - Create, manage, and preserve group funds, enabling quick and convenient spending and payment for group activities.
- » **QRPay** - Users can make payments at over 50,000 stores and websites that accept payments via VNPAY QR codes, enhancing convenience and accessibility.
- » **Payment Services** - Support a wide range of payment services, including paying living expenses, service fees, loan repayments, etc.

Other convenient features

- » Health insurance purchase
- » Conversion to 0% installment
- » Group of features: booking of airline tickets, train tickets, car tickets, taxi booking, flower ordering, movie ticket, etc.
- » Mobile top-up
- » Booking and payment for air tickets of 30 domestic and international airlines
- » Provision of stock market information
- » Search for Branches/Transaction Offices, ATMs
- » View product and service information, customer incentives, and interest rate information
- » And many other features

Personalized customer experience through machine learning-based suggestions

Leveraging customer behavior and habits on mobile banking applications, HDBank has developed specialized machine learning models for various functions and products, such as 1-Click ENV, 1-Click TD, and 1-Click Banca, to personalize suggestions for customers, optimizing their experience with the application.

Furthermore, HDBank's app is evolving to offer smarter and more diverse features. Customers can now open a stock account and begin trading on the stock exchange within 3 minutes through the Bank's application. Additionally, customers receive a 100% free, lucky-number account based on their phone number or date of birth, and they can proactively choose account numbers according to their preferences.

The robust promotion of digitalization in HDBank's business activities has significantly increased customer attraction. Consequently, the number of transactions via HDBank's digital channels has witnessed a sharp rise. By the end of 2023, the number of monthly active users (MAU) engaging in frequent transactions on the HDBank app surged by 87% compared to the same period in 2022.

4.6 FUTURE INITIATIVES

- HDBank remains committed to protecting customer rights and enhancing satisfaction levels through proactive listening to feedback, ensuring information transparency, and prioritizing information security for customers.
- Moreover, HDBank will deploy tailored solutions and develop customer journeys for large corporate clients and corporations with diverse ecosystems. Specialized financial service products will be developed to serve the specific needs of this customer group.
- Moving forward, the Bank will continue investing in advanced core banking infrastructure platforms while spearheading innovation in digital services and solutions, driving comprehensive digital transformation. This approach aims to elevate benefits and experiences for customers, positioning HDBank as a Happy Digital Bank and leading the digital transformation trend in Vietnam's banking industry.
- To further enhance customer suggestions, HDBank will develop additional machine learning models to optimize the allocation of customer lists for the Happy Digital Sales app.

4.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS



5. MATERIAL TOPIC 5:

FINANCIAL INCLUSION

5.1 GOVERNANCE PERSPECTIVE

On January 22, 2020, the Prime Minister signed Decision No. 149/QĐ-TTg, approving the National Financial Inclusion Strategy. This strategy aims to ensure that all individuals and businesses have convenient access to affordable and appropriate financial products and services. By prioritizing financial inclusion, the strategy contributes to seven of the 17 UN Sustainable Development Goals for 2030, including eradicating poverty and hunger, promoting good health and well-being, and achieving gender equality.

Even before the official issuance of the National Financial Inclusion Strategy, HDBank had already proactively developed its own strategic vision, aiming to become a leading retail, SME, and consumer bank. This strategy focused on serving customers in tier-2 cities and rural areas, emphasizing the development of tailored products, services, and digital banking capabilities. To achieve this, HDBank expanded its branch and transaction office network in high-growth potential regions beyond major urban centers, where banking services were less accessible. This approach not only facilitated HDBank's growth but also contributed significantly to the local economy and society.

By establishing a presence in underserved areas, HDBank extended access to financial services to previously

unbanked or underbanked individuals and communities, particularly those with low incomes, women, people with disabilities, and other marginalized groups. This expanded access to capital and modern banking services fostered economic development and improved the quality of life for these segments of the population.

Furthermore, HDBank recognizes that financial inclusion requires more than just access; it involves shifting awareness and habits among people in rural and remote areas regarding the use of financial services, especially digital ones. This proactive approach is a cornerstone of HDBank's commitment to successful financial inclusion.

5.2 OBJECTIVES & DIRECTION

Building on previous successes, HDBank continues to reinforce strategies, policies and actions to enhance accessibility to financial services for individual customers and micro, small and medium-sized enterprises (MSMEs), especially women-owned businesses. The Bank also proactively reaches out to people, businesses, and workers in rural, remote, and isolated areas, as well as industrial and export processing zones through offering of appropriate products and services across traditional and digital banking channels.

5.3 STRATEGIC ACHIEVEMENTS

Launch of

HDBank Rural app

to provide specialized financial solutions for customers in rural areas

Total number of new customers in rural and remote areas in 2023 reached nearly

550,000

an increase over the same period last year

Disbursement of nearly

VND 8,000 billion

out of the VND 10,000 billion loan package granted to workers and employees in industrial and export processing zones

Disbursement of nearly

VND 3,400 billion

to accompany women-owned businesses in 2023

More than

52% of the total loan portfolio

is directed to customers in tier-2 cities and rural areas

5.4 IMPLEMENTED ACTIONS AND INITIATIVES, ALONG WITH THEIR CORRESPONDING OUTCOMES

A. Financial inclusion

Recognizing the profound impact of financial inclusion on the sustainable development of individuals, businesses, and the nation as a whole, HDBank strives to implement programs aimed at driving this objective and has achieved notable successes.

✦ Technology application to increase customer access to services

Sự phát triển của dịch vụ tài chính số không chỉ mang đến nThe development of digital financial services presents numerous opportunities for banks while also enhancing access to financial services for customers. HDBank, on its robust digital transformation journey, prioritizes the convenience and accessibility of financial products, thereby bringing financial services within reach of millions of Vietnamese people.

The introduction of remote transaction account opening services and the e-KYC application by the Bank since 2021 marks a pivotal moment in HDBank's digital transformation journey. This initiative aims to support customers in rural,

remote, and isolated areas, as well as those facing travel difficulties, in accessing, registering, and using the Bank's financial services, particularly account opening. The online card opening process is designed to be simple, intuitive, and user-friendly for individuals of all backgrounds and ages. Not only does it save time, with the entire card opening process taking just 5 to 7 minutes, but opening an account online also presents an optimal solution for customers to save costs, thanks to exclusive offers available solely through the digital banking channel.

In 2023, the number of new customers creating accounts via eBanking increased by 96.6% over the same period last year. The total volume of financial transactions conducted via HDBank's eBanking skyrocketed by 131.6% compared to the corresponding period in 2022.

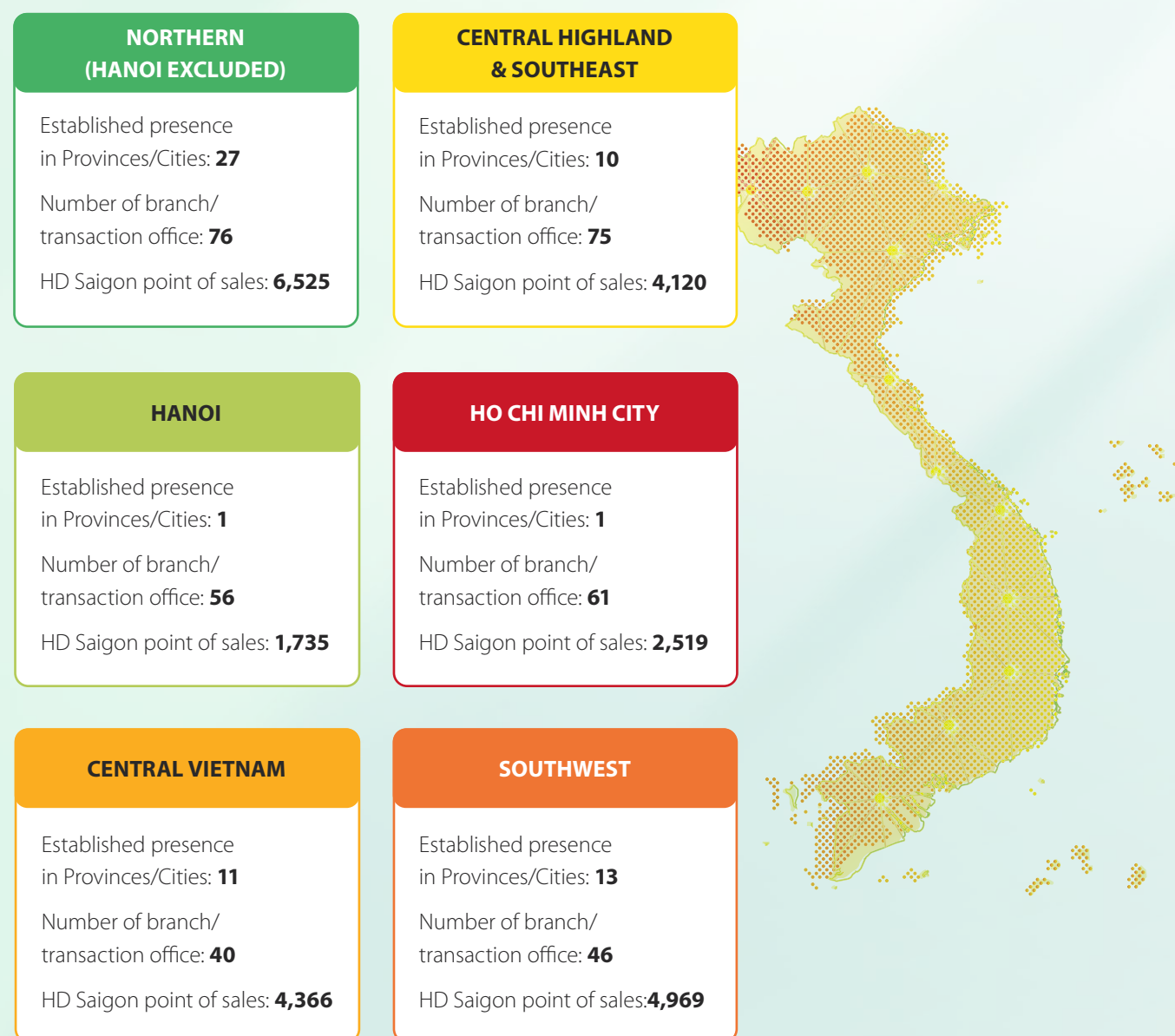
Furthermore, HDBank stands out as a trailblazer in localizing online business activities, exemplified by the launch of dedicated website channels tailored to all 63 provinces and cities. This strategic move underscores the Bank's unwavering dedication to maximize customer benefits while facilitating seamless access to and providing localized financial solutions tailored to the unique needs of each region.

✧ Financial services access in every region

Alongside its digital transformation journey, HDBank also focuses on expanding its presence across the nation. In 2023, the Bank inaugurated additional branches, transaction offices, ATMs, and financial transaction points. By the end of 2023, HDBank boasted a robust network comprising 355 branches and transaction offices, complemented by 24,234 financial transaction points under HDSAISON, spanning all 63 provinces and cities nationwide. Every HDBank transaction point is meticulously designed to meet modern international standards, offering space and convenience to save time for customers.

Transaction network

HDBank and HD SAIGON possess the most extensive network of banking transaction & consumer finance points in Vietnam



As of 31/12/2023, HDBank boast a network of 335 transaction points both domestically and internationally
HDBank possesses 24,234 points of sales across 63/63 provinces and cities

Not only focusing on big cities as well as economic and administrative centers across the country, in 2023, HDBank built and introduced transaction points in remote areas across the country in provinces such as Phu Tho, Ha Nam, Son La, and Thai Nguyen, contributing to increasing access to services for local people.

✧ Implementation of programs to accompany farmers and customers living in tier-2 cities and agricultural-rural areas

Agricultural-rural areas and tier-2 cities are one of HDBank's strategic segments. These regions typically host households and small to medium-sized enterprises (SMEs) with a significant demand for credit and financial products and services. More than 52% of HDBank's total loan portfolio is directed to customers in tier-2 cities and rural areas.

HDBank's Rural Services

In HDBank's retail development strategy, rural and agricultural customers are a pivotal customer segment. In 2023, HDBank introduced the HDBank Rural Services that offer specialized and advanced financial solutions integrating smart technology. HDBank's rural services include: loans and business development support, alongside local investment assistance. Additionally, HDBank Rural Services offers financial education programs, consultancy, and personalized customer support for both personal and business financial management.

HDBank Rural Services epitomizes the fusion of HDBank's Happy Digital Bank - Modern digital banking with the vision to deliver unparalleled benefits and value to customers in rural areas. It underscores HDBank's unwavering commitment and collective effort in fostering economic development and enhancing the quality of life within rural communities. Despite its recent introduction, this service has already garnered positive traction and attracted thousands of customers and showcased promising initial results.

"One Commune, One Product" (OCOP)

In addition to providing zero-interest loan packages to support farmers and rural customers, HDBank extends its assistance to businesses operating in the agricultural sector and garden owners with product promotion through the "One Commune One Product" program (OCOP). Collaborating with Agritrade and TikTok, HDBank spearheads various activities within this program:

- » Hosting a Short Video Creation Contest titled "Journey to Drawing a Map of Vietnamese Agricultural Products" on TikTok, to showcase OCOP products and local agricultural specialties
- » Organizing a series of livestreams about the OCOP Market aimed at promoting local agricultural specialties, featuring diverse activities to boost consumption and providing support to stakeholders on digital platform.

By December 2023, HDBank actively supported the OCOP Market in several provinces, including Ha Tinh, Dong Thap, Ho Chi Minh City (Can Gio), and Lam Dong, achieving numerous encouraging outcomes. Notably, over 150 businesses and garden owners registered to participate, presenting more than 100 selected typical products. HDBank's subsidized market sales soared into billions of dong. Throughout this program, HDBank has effectively expanded its customer base nationwide, leveraging promotional campaigns to disseminate its image.

✧ Promotion of cashless payment

Essential services

HDBank and VNPT Money have joined forces to introduce an overdraft loan product directly within the VNPT Money app. This product offers a consumption limit of up to VND 10 million, enabling users to conveniently settle bills for essential monthly services such as electricity, water, prepaid phone recharge, postpaid phone payments, with plans to incorporate additional services over time. By the end of 2023, this product had attracted more than 8,000 loan applications.

Tuition

Recognizing the challenges associated with collecting and monitoring tuition payments from educational institutions, HDBank has introduced a tuition collection service. While prioritizing universities and colleges, HDBank extends its support to smaller schools, including preschools and high schools, through tailored incentive packages aimed at swiftly addressing their needs. These packages encompass comprehensive technological solutions, facilitating convenient tuition fee management processes, from data creation to fee notifications for parents and students, leveraging cashless service channels. In 2023, HDBank collaborated with three educational institutions to implement this service.

Payroll

In pursuit of financial inclusion, particularly in encouraging businesses to adopt account-based salary payments, HDBank has introduced the Happy Di-Payroll package with optimal design and exceptional incentives. This is a 100% online and lifetime free payroll package for businesses and their employees, with countless utilities and outstanding financial incentives on the market:

- » Free salary payments in the system
- » Free payment account management
- » Free annual eBanking fee
- » Free domestic transfer on eBanking
- » Free OTP authentication via SMS
- » Additional interest rate on VND deposits with terms of 6 months or more, up to 0.3%/year
- » Lower loan interest rates for business purposes up to 0.3%/year for VND-denominated loans and 0.15% for USD-denominated loans
- » Preferential loan interest rates to pay salaries with a financing package of up to 6 times the total salary fund, with unsecured credit limit of up to VND 10 billion.

After more than a year of implementation, the salary payment package has attracted more than 3,000 businesses to register to participate, showing the accessibility and acceptance of this service package by the target customers.

Hospital fee

HDBank's solutions have earned the trust of a wide range of medical facilities, spanning from prestigious hospitals to provincial and local healthcare establishments. Through collaboration agreements, HDBank has solidified its role as a provider of non-cash hospital fee payment solutions across these medical facilities. Since the inception of these services, HDBank has onboarded 9 customers, comprising hospitals, clinics, and medical centers.

In 2024, HDBank partners with the National Health Information Center under the Ministry of Health to introduce a non-cash hospital fee payment solution tailored for medical facilities nationwide, leveraging previous experience in implementing similar solutions via three key forms:

- » Dynamic QR code per each hospital bill;
- » Smart payment kiosks; and
- » Free cash collection

The services offered by HDBank serve as a foundation for the Bank's widespread recognition across various sectors, attracting a diverse clientele to use its services. Not only do educational institutions, businesses, and hospitals benefit from deploying HDBank's solutions, but students, employees, and healthcare service users also enjoy numerous attractive incentives from the Bank, including exemptions or reductions of fees associated with opening and using payment accounts and domestic debit cards.

In its pursuit of convenience and accessibility, HDBank strives to offer a various payment services such as the HDBank - Petrolimex "4 in 1" co-branded cards, payment services performed on HDBank's app and website, and more for a diverse range of customers. Details on digital efforts in sales activities can be found in Material topic 4: Deliver value to customers under Pillar 3: Social.

✧ Support women-owned micro, small and medium enterprises

In its commitment to fostering social development, HDBank places a special emphasis on supporting businesses owned by women. In 2023, HDBank initiated a program allocating VND 1,000 billion to sponsor micro, small, and medium enterprises owned by women, offering them access to credit at preferential interest rates with a loan term of up to 5 years. This initiative builds upon previous incentive programs launched by HDBank aimed at empowering female entrepreneurs and small to medium enterprises (SMEs). In 2023, the program dedicated to supporting women-owned businesses had reached a disbursement totaling over VND 3,400 billion.

Through this preferential credit package, HDBank aims to address barriers such as social prejudice, gender bias, and doubts about the capabilities of female entrepreneurs, thereby empowering women-owned businesses to thrive in a competitive landscape via increased capital.

✧ Access to financing and global supply chain for small and medium enterprises

In 2022, HDBank entered into a memorandum of understanding (MOU) with the International Finance Corporation (IFC), marking a strategic partnership aimed at facilitating access to finance for Small and Medium Enterprises (SMEs) and enabling their participation in the global supply chain and high-tech agricultural chain financing. Under the agreement, IFC would provide assistance to HDBank in designing a Supply Chain Finance (SCF) strategy tailored specifically for the agricultural sector and expand its SCF products, particularly supplier and distributor financing, with the objective of attracting industry-leading businesses, along with their suppliers and distributors, to participate in the supply chain.

By the end of 2023, this program successfully supported more than 1,100 businesses, creating more than thousands of job opportunities for workers in linked chains. Not only does this program create more job opportunities, but it also improves people's knowledge and access to HDBank's financial services such as opening accounts and credit cards.

✦ Financial inclusion for people with disabilities

In 2023, HDBank was selected by the Asian Development Bank (ADB) to participate in the ADB TSCFP Disability Inclusion Initiative project. This project aims to enhance the inclusion of people with disabilities across Asia and the Pacific, aligning with efforts to foster a sustainable and inclusive banking sector.

HDBank takes pride in being the sole representative from Vietnam and one of seven banks chosen from seven different countries by the ADB for Phase 2 of the Project. As part of this phase, HDBank is tasked with completing an information sheet detailing its key challenges and priorities in supporting people with disabilities. This document will allow GDI Hub to gain insights into HDBank's perspective. Subsequently, the GDI Hub will collaborate with HDBank to assess its current status, devise suitable action plans,

and provide ongoing support during the implementation stage. Key orientations that require future attention include:

- Improving knowledge and awareness about inclusion and access for people with disabilities
- Developing support services and providing solutions for customers with disabilities
- Developing processes and policies suitable for people with disabilities
- Reviewing accessibility for people with disabilities at transaction offices

This event marks a significant milestone in HDBank's pioneering journey to extend financial services to people with disabilities in Vietnam.

B. Enhancing financial access and preventing illegal lending

✦ VND 10,000 billion loan package - release financial burden for workers

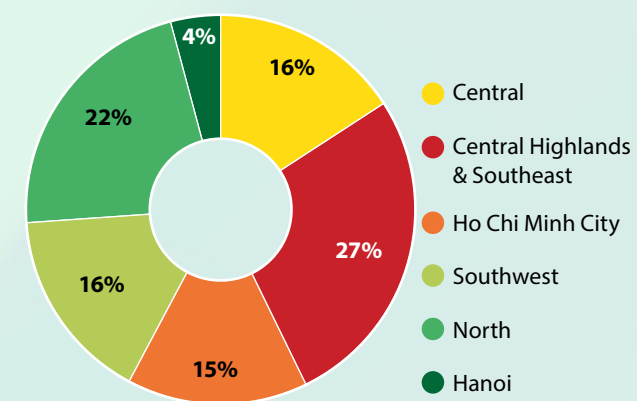
At the end of 2022, HD SAISON signed with the Vietnam General Confederation of Labor to launch VND 10,000 billion loan package for workers in provinces and centrally-run cities to increase their living standards and to prevent illegal lending. The loan package provides financial support to employees and workers in industrial parks and export processing zones through app-based cash loans and credit cards.

Following the direction of the State Bank of Vietnam, the program was one of the first large loan packages which offer consumer finance to workers and employees.

Understanding the difficulties faced by workers, HD SAISON launched this loan package mainly for supporting workers both physically and mentally by lifting their financial burdens, motivating them to work to improve their living standards, thereby preventing illegal lending activities. As of June 2023, HD SAISON disbursed nearly VND 8,000 billion for about 600,000 trade union members and workers.

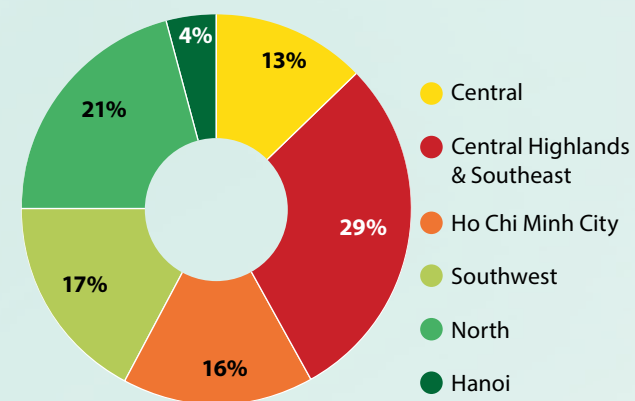
Customer mix by regions

Unit: %



Loan mix by regions

Unit: %



Most of workers and employees in 63 provinces and centrally-run cities can access the preferential loan package. With nearly VND 8,000 billion disbursed so far, HDBank in general and HD SAISON in particular not only gradually help prevent illegal lending, but also contribute to enhancing access to financial services for workers and employees in disadvantaged areas.

✦ Disseminating financial knowledge - increasing customer awareness

As mentioned in section 5.4.a. Financial Inclusion, the launching of HD Rural service not only offers financial solutions to people in rural areas but also delivers financial education programs, which advise and support customer in individual and business financial management using HDBank Rural app and agricultural seminars at localities. These programs provide useful information to people, especially farmers in rural and remote areas, where access to information and financial services is still limited. Financial knowledge shared via HD Rural app and services

has helped people enhance their awareness and prevent illegal lending activities.

In addition to HD Rural service, HDBank also regularly organizes workshops to provide information on spending, saving and give warnings about fraud and scams. These workshops attracted more than 67,300 customers in 2023. HDBank customers also receive financial information which they need to pay attention to on a monthly basis to acquire knowledge and increase awareness to avoid frauds and scams.

5.5 ACTIVITY/PROGRAM HIGHLIGHTS

✦ HD Bank Rural app

Thanks to HDBank Rural app, all customers in rural areas nationwide can easily become HDBank's Collaborators to increase their income anytime, anywhere. This enables local people to quickly access preferential loans and financial services exclusively for rural areas through the Bank's professional and dedicated collaborators.

Unlike other digital apps, HDBank Rural app allows all customers in rural areas nationwide can easily become HDBank's Collaborators to increase their income anytime, anywhere. This enables local people to quickly access

preferential loans and financial services exclusively for rural areas through the Bank's professional and dedicated collaborators.

With distinguishing features, tailored to the needs of people in rural areas, this app has acquired more than 4,000 registered users through the network of collaborators. This promising figure creates a solid foundation for approaching customers in rural areas and diversifying the income of agricultural producers.

5.6 FUTURE INITIATIVES

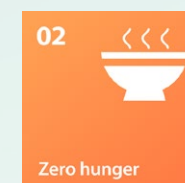
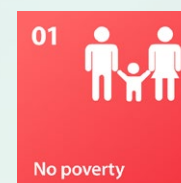
In 2024, HDBank builds on 2023 achievements to continuously offer convenient banking and financial services to customers through the following activities:

- Continuing to cooperate with various enterprises and household businesses to deploy and promote non-cash payments, especially with Vietnam National Petroleum Group (Petrolimex) to implement Official Telegram No. 1284/CD-TTg dated December 1, 2023 of the Prime Minister on strengthening the management and the use of electronic invoices for petroleum retail businesses.
- Continuing to expand the transaction network to facilitate customers' access to banking and financial services. It is

expected that 18 transaction points (including branches and transaction offices), 18 commercial banking centers (CMBC), and 64 ATMs will be opened nationwide in 2024.

- Continuing to implement and to expand loan packages and card issuance for workers, farmers, and people in rural, remote and isolated areas.
- Continuing to accompany the ADB TSCFP Disability Inclusion Initiative project, successfully implementing the plans proposed under the Project.

5.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS





HDBank leaders visit SOS Children's Village Nha Trang as part of the "Chắp cánh yêu thương" (Wings of Love) program.

6. MATERIAL TOPIC 6:

A COMPANION WITH THE COMMUNITY AND SOCIETY

6.1 GOVERNANCE PERSPECTIVE

Poverty remains a significant economic and social challenge both in Vietnam and worldwide. The United Nations' 2030 Sustainable Development Goals include various targets aimed at poverty reduction.

For decades, the Vietnamese government has dedicated substantial resources to invest in, support, and ensure social security, while striving to improve the material and spiritual well-being of its citizens. National target programs focused on poverty reduction, new rural development, and socio-economic development in ethnic minority and mountainous areas have been effectively implemented.

HDBank has been a steadfast partner in this journey, actively participating in community and social security programs across the country for over three decades. The bank's commitment to social responsibility reflects the shared aspiration of its employees to build a sustainable, green bank.

Quietly yet persistently, HDBank has fostered a culture of compassion and empathy, exemplified by the Vietnamese proverbs "doing as you would be done by" and "the leaves

protect tattered ones," through meaningful, practical, and timely initiatives.

6.2 OBJECTIVES & DIRECTION

HDBank commits to foster community and social development through three key areas: transportation, education, and healthcare infrastructure. We believe that these are three key areas that make the foundation for creating quality and social progress with people as the core value.

HDBank recognizes that only when the community develops strongly and sustainably, organizations like HDBank will also thrive. Therefore, HDBank's community activities spread in all regions of the country, from urban to rural areas, with special focus given to mountainous and remote areas, ethnic minorities and disadvantaged people.

We believe that sustainability will play a central role in HDBank's future success and ensure that future generations will inherit a meaningful green legacy from HDBank.

6.3 STRATEGIC ACHIEVEMENTS

After nearly 35 years of establishment and development, from a joint stock commercial bank with a charter capital of VND 3 billion, total assets of VND 20 billion, and 17 employees, HDBank has seen a significant growth with total assets exceeding VND 600,000 billion, nearly 17,000 employees, 355 transaction points and more than 24,000 financial transaction points across the country. In the international market, HDBank has established deep relationships with more than 400 correspondent banks and strategic cooperation with many leading partners. The Bank has a wide network of international payment, the quality of which is recognized by leading banks including JP Morgan Chase, Wells Fargo, Deutsche Bank, Citibank, BHF - Bank, etc.

The effective embedding of ESG standards in business operations has earned HDBank various certificates of merit and awards from reputable domestic and international organizations, acknowledging its achievements and contributions to community and society.

Notably, during the 2017 - 2023 period, HDBank was honored to receive the Second-Class Labor Medal twice

and the Third-Class Labor Medal four times and the Emulation Flags from the State Bank of Vietnam and the Government; Certificates of Merit by Ho Chi Minh City People's Committee for many consecutive years for its great contributions to the state budget, together with various certificates of merit at all levels for business achievements and contributions to the community and society.

With many prestigious awards in 2023, HDBank has become the only Vietnamese bank to be honored as "Best Companies To Work For In Asia" for 6 consecutive years; the only retail bank in Asia and the Middle East won the 2023 Asian Banking & Finance Award in the "Sustainability Initiative of the Year - Vietnam" category; etc.

With continuous contributions to practical and meaningful social security activities, HDBank won Asiamoneyaward as "Best bank for CSR Vietnam". The award is a testament to the confidence and recognition of international organizations for a bank that always put sustainability at the core of its business operations, thereby building a leading financial brand in the market, bringing great values to customers, shareholders, employees and community.

Total amount used by the Bank for charity, social activities, and local community programs		Details
2019	VND 3.5 billion	Social welfare and charitable activities (unit: %): 72% Community development investment activities (unit: %): 28%
2020	VND 8.7 billion	Social welfare and charitable activities (unit: %): 78% Community development investment activities (unit: %): 22%
2021	VND 153.4 billion	Social welfare and charitable activities (unit: %): 9% Community development investment activities (unit: %): 91%
2022	VND 80.7 billion	Social welfare and charitable activities (unit: %): 91% Community development investment activities (unit: %): 9%
2023	VND 46.1 billion	Social welfare and charitable activities (unit: %): 67% Community development investment activities (unit: %): 33%

In addition, HDBank also embeds community development programs in the Bank's business operations, thereby providing preferential credit programs and promoting rural and local development. The Bank also signs strategic partnership agreements with universities to develop an industry-driven workforce. HDBank directly creates stable jobs for nearly 17,000 employees in 63 provinces and centrally-run cities, and indirectly creates many job opportunities in localities through economic promotion programs.

6.4. IMPLEMENTED ACTIONS, INITIATIVES, AND OUTCOMES

[GRI 413-1]

A. The journey of nurturing and accompanying Vietnamese youth

HDBank has made relentless efforts for decades to promote education and training programs, supporting young people, especially disadvantaged people and young talented people who lack favorable conditions and opportunities to thrive.

❖ Organization of talent development programs

A decade companion of HDBank International Chess Tournament

Since 2011, HDBank has coordinated with the Vietnam Chess Federation and Ho Chi Minh City People's Committee to organize the annual HDBank International Chess Tournament. HDBank has always accompanied the Vietnam Chess Federation in domestic and foreign chess events for young Vietnamese players.

Through the organization of the Chess Tournament gathering the world leading players, Vietnamese players have more opportunities to practice, to learn and to sharpen their skills. The tournament also helps detect and nurture famous players who bring glory to Vietnam at international and continental tournaments.

Many players have developed from the HDBank International Chess Tournament, such as Grandmaster Le Quang Liem - Top 20 world player, who won the World Rapid Chess Championship; Grandmaster Nguyen Ngoc Truong Son who brought glory to Vietnam at the Asian Chess Championships and Olympiads, young players Le Tuan Minh, Tran Tuan Minh, etc. who won many prestigious international chess prizes. HDBank has accompanied to honor and to develop Chess - a symbol of human intelligence for nearly a decade as part of its sustainable development program, sponsoring community without commercial and advertising purposes. From tournaments of friendship and cultural and sports exchanges such as the HDBank Chess Tournament, the beautiful and peaceful Vietnam, with gentle and friendly people, has become a destination for chess players and chess lovers globally.



Since 2011, HDBank has been continuously accompanying the Vietnam Chess Federation in domestic and international chess events for young Vietnamese players.



2023 marks the 7th year that HDBank has accompanied the HDBank National Futsal Cup.

HDBank - the “golden” hand to elevate Vietnamese Futsal

The year 2023 marked the 7th year of partnership between HDBank and the Vietnam Futsal League. Along with the success of HDBank International Chess Tournament for almost a decade, the achievements of the Futsal League over the past 7 years have realized HDBank's aspiration in bringing Vietnam closer to the international community, creating a bridge for better understanding about Vietnam through chess and football, which connect all races and nations.

Accompanying the Futsal League, HDBank hopes to create an attractive playground for clubs and diversify sports activities in Vietnam. With a decade of accompanying the International Chess Tournament, HDBank has promoted a friendly, dynamic, and healthy image of Vietnam to the world and brought the world closer to Vietnam. This is also part of the sustainability philosophy that HDBank has been upholding for many years.

With this in mind, HDBank has transformed Futsal from a promising sport in Vietnam into a key sport, marking its position on the global map through the international tournament under its name since 2011. After that, HDBank continues to “cultivate the land” of Futsal, and in the past 7 years, the Vietnam Futsal team is proud to attend the Futsal

World Cup for many years. Building on that achievement, HDBank continues to accompany Futsal in the past 7 years and is proud to see the stadiums filled with fans every national championship. In the 2023 season alone, statistics showed that 10,000 spectators coming to the stadium to watch the matches live; The number of views via social media was estimated to reach 5.7 million; Thousands of news and articles relating to Futsal 2023 were posted on social media, etc.

Looking for IT talents through the HDBank Hackathon

In 2022 and 2023, HDBank coordinated with Hutech University (Ho Chi Minh City) to organize HDBank Hackathon to create a useful playground, attracting IT students to participate in. The Hackathon provided training to IT students on new technologies such as Amazon Web Service (Cloud Provider); helped develop their mindset on customer experience during app development; offered them opportunities to access financial and banking operations at one of the leading digital banks in Vietnam and to take internship and work at HDBank - an Asia's best workplace for 6 consecutive years.



HDBank sponsors scholarship funds for students.

✧ Nurturing Talent Through Scholarships

HDBank has supported scholarship funds of associations, agencies, and schools across the country for many years to support disadvantaged students who have good academic performance.

Accompanying the National Fund For Vietnamese Children, HDBank has given learning opportunities to thousands of disadvantaged students, especially ethnic minorities children or those living in remote, isolated, mountainous areas and islands, and across the country through thousands of “For Vietnamese Children” scholarships and support programs to upgrade and renovate school facilities.

Besides, HDBank accompanies and supports disadvantaged students to encourage them to attend school and become successful through “Vu A Dinh” Scholarship Fund. Through Vu A Dinh Scholarship Fund, HDBank has supported thousands of poor ethnic minority students who have good academic performance and morality across the country. In addition to providing annual scholarships, the fund also invests in developing various projects such as “Embracing the Dreams”, “Nurturing the Future”, “Paving the way to the Future”, and “Lighting the Future”.

Knowing that investment in education is investment for the future, HDBank has implemented practical social charity programs in education, such as sponsoring Da Nang City’s Study Promotion Fund and the Sponsoring Association for Poor Patients Ho Chi Minh City, Hoa Binh University, Nguyen Tat Thanh University, University of Economics Ho Chi Minh City, Ho Chi Minh University of Banking, etc.

On the occasions of Mid-Autumn Festival, Lunar New Year, and Children’s Day, HDBank’s Board of Directors and employees visit and present gifts to children, teachers, and care-givers at Social Protection Centers and other SOS children’s villages nationwide, such as Thi Nghe Care Center for Disabled Orphans (Ho Chi Minh City); Tam Binh Child Care Center (Thu Duc City, Ho Chi Minh City); Ho Chi Minh Protection, Vocational Training and Job Creation Center; SOS Children’s Village in Nghe An province, Children’s Village in Lao Cai province, SOS Children’s Village in Da Nang city.

✧ Funding Educational Infrastructure Development

On the journey to cultivate knowledge for Vietnamese young people, especially disadvantages people in remote and isolated areas, HDBank has sponsored many infrastructure projects for educational institutions, including construction of a canteen for preschool children at Hoang Yen Kindergarten, My Hoa Hung commune, Long Xuyen city, An Giang province; donation of student desks and chairs and teacher desks and renovation of primary schools in Cu M’gar, Ea H’leo districts, Dak Lak province; development of a digital library, giving scholarships to students in Tien Giang and Can Tho provinces; provision of computers for poor students in Quang Ninh and Ho Chi Minh City, etc.

Outstanding project – Cultivating a Love of Reading for a Brighter Future in the Central Highlands

In 2023, HDBank cooperated with the Vietnam Intellectual Cooperation Center to launch the project “Reading



culture for children in the Central Highlands”. This was a meaningful activity to foster reading habits of students and help schools improve learning environment and teaching quality.

As the main school of the district but Dak Long School did not have any library or bookcase, except a small shelf in a corrugated iron-roofed temporary house as a common space. In this “small bookshelf”, there were only a few old storybooks and textbooks and other items used for teaching activities.

As soon as the project was launched, HDBank started designing and building a proper bookcase for students. In addition to the available resources, HDBank also mobilized additional contributions from employees system-wide to the bookcase. After only a short time, a spacious library was built, new bookcases were filled with various books from HDBank’s donors and hundreds of gifts and notebooks were delivered to the students.

B. The journey of nurturing loves

HDBank considers investment and development of infrastructure as essential drivers and enablers for the development of socio-economic sectors such as agriculture, forestry and tourism - services, thereby contributing to fostering growth, helping communes and districts in remote and impoverished areas to move forward.

✧ Completing and handing over more than 700 charity houses and solidarity houses

In recent years, HDBank has actively joined hands with localities to build housing for the poor and people with meritorious services, with more than 700 charity houses and solidarity houses built nation-wide.

Notably, HDBank has accompanied other sponsors to spread and give love under the program “City of Gratitude - Connection

of Love” initiated by the Ho Chi Minh City Fatherland Front Committee. At the 22nd program in December 2023, HDBank donated 20 charity houses and 150 computer sets to people and students in the city.

In 2023 alone, HDBank officially completed and handed over more than 400 charity houses across provinces and cities from North to South, including Dien Bien, Lai Chau, Ca Mau, Tay Ninh, Tuyen Quang, Ninh Thuan, An Giang, Phu Quoc, Phu Tho, Bac Kan, Hoc Mon, Cu Chi, Vinh Long, Lam Dong, Tra Vinh...

Previously, HDBank sponsored the construction costs of 300 houses in Cu Chi and Hoc Mon districts (Ho Chi Minh city) and Dien Bien province.

✧ Promoting the development of border residential areas

In the journey of “Leaving no one behind”, HDBank strives to expand social security projects to isolated, underpopulated and far-distanced areas, especially border areas and islands.

In 2023, HDBank and Ho Chi Minh City High Command handed over 80 residential houses adjacent to the border militia checkpoint in Duc Hue district, Long An province. This activity continued the volunteer journey to strengthen resources, to enhance the national border protection strength, to promote hunger eradication and poverty reduction, and gradually form border residential areas. In addition, HDBank also supported Ben Tre province’s delegation to visit and to encourage officers, soldiers and people of Truong Sa Island and DK1 Platform.

✧ Promoting the development of all regions

Over the years, HDBank has implemented a series of events to foster the development of disadvantaged areas in all regions.

In 2023, HDBank also contributed funds to implement a series of other infrastructure projects, including construction of rural bridges, roads and 20 solidarity houses in Giong Trom and Mo Cay districts, Ben Tre province; sponsoring “solar lights” in the mountainous village of Binh Dinh province; restoring the historical relic of Thanh Phuoc communal house in Go Dau district, Tay Ninh province; construction of kindergarten canteens and 5 charity houses to Long Xuyen City, An Giang province, etc.

With the joint contributions of various organizations including Thanh Nien Newspaper, Road and Railway Traffic Police Department (PC08, Ho Chi Minh City Public Security Department) and other units, HDBank built 7 Oai Bridge across Cai Mit canal connecting hamlet 1A and hamlet 1B in Giong Trom district, Ben Tre province.



HDBank sponsors eye surgeries for the poor across the country.

C. For community health

HDBank persistently gives back to the community and pays special attention to community health. HDBank's companion journey for community health started decades ago and has been increasingly paid attention for development and expansion.

After 18 years of accompanying Ho Chi Minh City Sponsoring Association for Poor Patients, HDBank has brought hopes to nearly 15,000 poor people across the country; offered hundreds of thousands of health insurance cards to the poor. In 2023, HDBank sponsored 2,000 eye surgeries for poor people across the country and provided 10,000 insurance cards to disadvantaged people in Ho Chi Minh city.

HDBank also sponsored medical centers and hospitals, supported medical examination and treatment nationwide, including donation of dialysis machines to Hai Hau District General Hospital, Nam Dinh province, provision of beds, ventilators, medical equipment to dozens of hospitals nationwide, etc.

In addition to major programs in coordination with agencies and departments, HDBank also spreads the "mutual solidarity" in the workplace, from head-office to branches, from the board of directors to staff. The annual voluntary blood donation has received active responses from the Bank's staffs. Beyond Ho Chi Minh city, many HDBank's business units nationwide also regularly organized voluntary blood donation programs.

Before that, during the Covid-19 pandemic, HDBank was one of the first enterprises to financially support the Government's Vaccine Fund. We also supported to develop an online fund contribution website, which mobilized nearly VND 9,000 billion for the national vaccination program. In addition, HDBank also donated 1.5 million doses of vaccine and administered free vaccinations to people in 8 provinces and cities, supported costs for more than 2 million tests, and provided free transportation of doctors and nurse who participated in the pandemic prevention and donated medical equipment, ambulances, ventilators, and test kits to many localities across the country.



Meaningful gifts from HDBank bring added joy to the people of Da Bac district, Hoa Binh province on the occasion of the Lunar New Year 2023.



6.5 ACTIVITY/PROGRAM HIGHLIGHTS

✦ "Tet for our People" program

HDBank has accompanied the "Tet for our People" program throughout remote and isolated areas for years to raise hope for a lucky new year and bring people a warm and fulfilling Tet. Under the program "Tet for our People 2023", HDBank continued its journey to bring an early and prosperous Tet to ethnic minorities. "Tet for our People 2023" was organized by VTV Humanitarian Television in collaboration with the Vietnam - Soviet Friendship Hospital, bringing a happy new spring to the people in the highlands of Da Bac district, Hoa Binh province.

In order for poor, near-poor households, and families under preferential treatment policy of Da Bac to have a prosperous Tet, 500 Tet gifts were given directly to them. Beyond that, the program also implemented other volunteer activities, from free medical examination and medicine, Tet gifts, offering savings books, to organizing "Zero Dong Fair", Chung Cake wrapping contest, etc. The joy of "Tet for our People" also spread to schools when the program also offered teaching equipment,

scholarships, and warm clothes to students, sparking excitement and eagerness for learning, and encouraging both teachers and students to overcome challenges and strive to study to gradually change their homeland.

"Tet for our People 2023" took place for over two days (January 6-7, 2023) and achieved many outstanding outcomes as follows:

- Free medical examination and medicine for 500 people;
- Organizing a Zero Dong Fair for 1,000 people;
- Visiting and giving Tet gifts to 5 families under preferential treatment policy and poor households in extremely difficult circumstances;
- Giving Tet gifts to 500 poor households;
- Offering scholarships and savings passbooks to poor students overcoming difficulties.

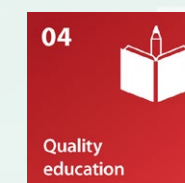
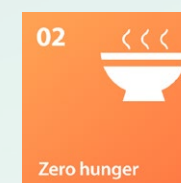
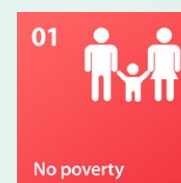
With a total value of nearly VND 2 billion, "Tet for our People" not only brought Tet to disadvantaged ethnic minorities, but also reinforced that Tet helps strengthen the unity of all Vietnamese people.

6.6 FUTURE INITIATIVES

Being consistent with the sustainability philosophy, in the coming time, HDBank will continue to accompany, join hands, make greater contribution to poverty reduction and social security, in Vietnam's "Joining hands for the poor - leaving no one behind" program in the new development period.

HDBank is committed to promoting investment and accompanying the development of the community and society through the following main areas: Infrastructure for housing - transportation, healthcare, education and training, culture and sports which are essential fields, the foundation to ensure social quality and progress.

6.7 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS





APPENDIX

170	Table 1
171	Table 2
172	GRI Index
179	Abbreviations & Terms

TABLE 1.
PERCENTAGE OF MANAGERS AND STAFF
BY GENDER AND AGE

Classification	2023			2022			2021		
	Manager	Staff	Total	Manager	Staff	Total	Manager	Staff	Total
Total employee	1,104	8,523	9,627	1,025	7,630	8,655	941	6,870	7,811
Percentage of employee by gender									
Male	60.3%	42.5%	44.6%	61.5%	43.1%	45.2%	62.4%	42.5%	44.8%
Female	39.7%	57.5%	55.4%	38.5%	56.9%	54.8%	37.6%	57.5%	55.2%
Percentage of employee by age									
< 30 years old	0.4%	41.4%	36.7%	1.3%	44.6%	39.5%	1.6%	48.4%	42.7%
30-50 years old	91.5%	57.0%	61.0%	91.5%	53.8%	58.3%	91.1%	50.6%	55.5%
> 50 years old	8.2%	1.6%	2.3%	7.2%	1.5%	2.2%	7.3%	1.0%	1.8%

TABLE 2.
TOTAL NUMBER AND PERCENTAGE OF NEW HIRES
BY GENDER, AGE AND REGION

2023	Total employees	Percent	Number of new hires	Percent of new hires	Number of leaving employees	Turnover rate
By gender						
Male	4,291	44.6%	1,117	26.0%	739	17.2%
Female	5,336	55.4%	1,306	24.5%	712	13.3%
By age						
< 30 years old	3,532	36.7%	1,469	41.6%	672	19.0%
30-50 years old	5,870	61.0%	948	16.1%	761	13.0%
> 50 years old	225	2.3%	6	2.7%	18	8.0%
By region						
Hanoi	829	8.6%	316	38.1%	223	26.9%
North	1,338	13.9%	410	30.6%	182	13.6%
Central	692	7.2%	148	21.4%	103	14.9%
Central Highland	533	5.5%	89	16.7%	63	11.8%
East (Dong Nai, Southeast)	1,401	14.6%	300	21.4%	193	13.8%
West	929	9.6%	217	23.4%	116	12.5%
HCMC	1,198	12.4%	416	34.7%	311	26.0%
Head Office	2,707	28.1%	527	19.5%	260	9.6%
Total	9,627	100%	2,423	25.2%	1,451	15.1%

2022	Total employees	Percent	Number of new hires	Percent of new hires	Number of leaving employees	Turnover rate
------	-----------------	---------	---------------------	----------------------	-----------------------------	---------------

By gender

Male	3,915	45.2%	1,106	28.3%	690	17.6%
Female	4,740	54.8%	1,180	24.9%	755	15.9%

By age

< 30 years old	3,419	39.5%	1,193	34.9%	737	21.6%
30-50 years old	5,045	58.3%	1,082	21.4%	686	13.6%
> 50 years old	191	2.2%	11	5.8%	22	11.5%

By region

Hanoi	742	8.6%	277	37.3%	209	28.2%
North	1,105	12.8%	302	27.3%	164	14.8%
Central	642	7.4%	122	19.0%	88	13.7%
Central Highland	508	5.9%	108	21.3%	45	8.9%
East (Dong Nai, Southeast)	1,297	15.0%	278	21.4%	167	12.9%
West	835	9.6%	234	28.0%	120	14.4%
HCMC	1,102	12.7%	385	34.9%	301	27.3%
Head Office	2,424	28.0%	580	23.9%	351	14.5%
Total	8,655	100%	2,286	26.4%	1,445	16.7%

2021	Total employees	Percent	Number of new hires	Percent of new hires	Number of leaving employees	Turnover rate
------	-----------------	---------	---------------------	----------------------	-----------------------------	---------------

By gender

Male	3,503	44.8%	1,098	31.3%	617	17.6%
Female	4,308	55.2%	1,108	25.7%	576	13.4%

By age

< 30 years old	3,317	42.5%	1,048	31.6%	675	20.3%
30-50 years old	4,334	55.5%	1,148	26.5%	498	11.5%
> 50 years old	140	1.8%	10	7.1%	20	14.3%

By region

Hanoi	676	8.7%	243	35.8%	228	33.6%
North	964	12.3%	302	31.4%	146	15.2%
Central	613	7.8%	167	27.2%	66	10.8%
Central Highland	443	5.7%	101	22.8%	29	6.5%
East (Dong Nai, Southeast)	1,181	15.1%	251	21.2%	147	19.6%
West	719	9.2%	234	34.9%	121	20.4%
HCMC	1,032	13.2%	250	22.7%	231	11.7%
Head Office	2,183	27.9%	658	30.1%	225	10.3%
Total	7,811	100%	2,206	28.2%	1,193	15.3%

GRI INDEX

Statement of Use

HDBank reported the information listed in the GRI for the reporting period from January 1 to December 31, 2023 referencing GRI Reporting Standards

GRI 1 Use

GRI 1: Foundation 2021

Indicator	Disclosure requirements	Reference to the report contents
-----------	-------------------------	----------------------------------

GRI 2: General Disclosures

The organization and its reporting practices

2-1	The Bank's details	Overview of HDBank , <i>page 134</i>
2-2	Entities included in the Bank's sustainability reporting	Overview of HDBank , <i>page 13</i> Overview of the Sustainable Development Report, <i>page 20</i>
2-3	Reporting period, frequency and contact point	Overview of the Sustainable Development Report, <i>page 20</i>

Activities and employees

2-6	Activities, value chain and other business relationships	Overview of HDBank , <i>page 12</i>
2-7	Employees	Appendix - Statistics, <i>page 168</i>

Governance

2-9	Governance structure and composition	Sustainability governance, <i>page 30</i>
2-10	Nomination and selection of the highest governance body	Sustainability governance, <i>page 36</i>
2-11	Chair of the highest governance body	Sustainability governance, <i>page 30, page 35</i>
2-12	Role of the highest governance body in setting targets, values, and strategies	Sustainability governance, <i>page 30, page 35</i>
2-13	Delegation of authority	Sustainability governance, <i>page 35</i>
2-14	Role of the highest governance body in sustainability reporting	Overview of the Sustainable Development Report, <i>page 21</i>
2-15	Conflicts of interest	Sustainability governance, <i>page 37</i>
2-16	Communication of critical concerns	Sustainability governance, <i>page 35</i>
2-17	Collective knowledge of the highest governance body	Sustainability governance, <i>page 36</i>
2-18	Evaluation of the performance of the highest governance body	Sustainability governance, <i>page 37</i>
2-19	Remuneration policies	Sustainability governance, <i>page 37</i>
2-20	Process to determine remuneration	Sustainability governance, <i>page 37</i>
2-21	Annual total compensation ratio	Sustainability governance, <i>page 37</i>

Indicator	Disclosure requirements	Reference to the report contents
-----------	-------------------------	----------------------------------

GRI 2: General Disclosures

Strategy, policies and practices

2-22	Statement on sustainable development strategy	HDBank's sustainable development direction and strategy, <i>page 26</i>
2-23	Regulatory compliance	Topic Commit to legal compliance, <i>page 86</i>
2-24	Embedding policy commitments	HDBank's sustainable development orientation and strategy, <i>page 28, page 38</i> Stakeholders engagement, <i>page 28</i>
2-25	Processes to remediate negative impacts	Material topic, <i>page 46</i>
2-26	Mechanisms for seeking advice and raising concerns	Topic Commit to legal compliance, <i>page 88</i> Topic Respect diversity, equality and human rights, <i>page 136</i>
2-27	Compliance with laws and regulations	Topic Commit to legal compliance , <i>page 86</i>
2-28	Membership associations	Overview of HDBank , <i>page 10, page 13</i>

Stakeholder engagement

2-29	List of stakeholders	Stakeholders engagement, <i>page 38</i>
2-30	Collective bargaining agreements	Topic Respect diversity, equality and human rights, <i>page 136</i>

Indicator	Disclosure requirements	Reference to the report contents
GRI 3: Disclosure of Material topics		
3-1	Process to determine Material topics	Material topic, <i>page 46</i>
3-2	List of material topics	Material topic, <i>page 46</i>
3-3	Management of Material topics	Material topic, <i>page 46</i> ; Gắn kết toàn diện 17 SDGs trong quản trị chủ đề trọng yếu, <i>page 48</i> ; Pillar 1: Governance, <i>page 58</i> ; Pillar 2: Environmental, <i>page 104</i> ; Pillar 3: Social, <i>page 118</i> ;
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Topic Create economic value, <i>page 60</i>
201-2	Financial implications and other risks and opportunities due to climate change	Topic Integrate sustainable development into risk management, <i>page 68</i>
201-3	Defined benefit plan obligations and other retirement plans	Topic Create economic value, <i>page 65</i> Topic Ensure employee's welfare and compensation, <i>page 127</i>
201-4	Financial assistance received from government	Topic Create economic value, <i>page 65</i>
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to regional minimum wage	Topic Create economic value, <i>page 65</i>
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Topic Create economic value, <i>page 66</i>
203-2	Significant indirect economic impacts	Topic Create economic value, <i>page 66</i>

Indicator	Disclosure requirements	Reference to the report contents
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Topic Commit to legal compliance, <i>page 89</i>
205-2	Communication and training about anti-corruption policies and procedures	Topic Commit to legal compliance, <i>page 89</i>
205-3	Confirmed incidents of corruption and actions taken	Topic Commit to legal compliance, <i>page 89</i>
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Topic Commit to legal compliance, <i>page 66</i>
GRI 207: Tax		
207-1	Approach to tax	Topic Create economic value, <i>page 66</i>
207-2	Tax governance, control, and risk management	Topic Create economic value, <i>page 66</i>
207-3	Stakeholder engagement and management of concerns related to thuế	Topic Create economic value, <i>page 66</i>
GRI 301: Materials		
301-1	Materials used by weight or volume	Optimize resource utilization, <i>page 105</i> Chủ đề Hạn chế ảnh hưởng đến môi trường, <i>page 112, page 113</i>
GRI 302: Energy		
302-1	Energy consumption within the Bank	Optimize resource utilization, <i>page 105</i>
302-3	Energy intensity	Optimize resource utilization, <i>page 105</i>

Indicator	Disclosure requirements	Reference to the report contents
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	Topic Optimize resource utilization, <i>page 108</i>
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Topic Minimize environmental impacts, <i>page 112</i>
305-2	Energy indirect GHG emissions	Topic Minimize environmental impacts, <i>page 112</i>
305-4	GHG emissions intensity	Topic Minimize environmental impacts, <i>page 112</i>
GRI 401: Employment		
401-1	New employee hires and employee turnover	Topic Invest in human capital, <i>page 120</i> Appendix - Statistics, <i>page 168</i>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Topic Ensure employee's welfare and compensation, <i>page 128, page 132</i>
401-3	Parental leave	Topic Ensure employee's welfare and compensation, <i>page 128</i>
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	Topic Respect diversity, equality and human rights, <i>page 136</i>

Indicator	Disclosure requirements	Reference to the report contents
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Topic Ensure employee's welfare and compensation, <i>page 130</i>
403-2	Hazard identification, risk assessment, and incident investigation	Topic Ensure employee's welfare and compensation, <i>page 130</i>
403-5	Worker training on occupational health and safety	Topic Ensure employee's welfare and compensation, <i>page 130</i>
403-6	Promotion of worker health	Topic Ensure employee's welfare and compensation, <i>page 128, page 130, page 132</i>
403-8	Workers covered by an occupational health and safety management system	Topic Ensure employee's welfare and compensation, <i>page 130</i>
403-9	Work-related injuries	Topic Ensure employee's welfare and compensation, <i>page 127, page 130</i>
403-10	Work-related ill health	Topic Ensure employee's welfare and compensation, <i>page 130</i>
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Topic Invest in human capital, <i>page 124</i>
404-2	Programs for upgrading employee skills and transition assistance programs	Topic Invest in human capital, <i>page 123</i> Topic Ensure employee's welfare and compensation, <i>page 129</i>
404-3	Percentage of employees receiving regular performance and career development reviews	Topic Invest in human capital, <i>page 125</i>
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Topic Respect diversity, equality and human rights, <i>page 133</i> Appendix - Statistics, <i>page 133</i>

Indicator	Disclosure requirements	Reference to the report contents
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Topic Respect diversity, equality and human rights, <i>page 136</i>
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Topic Respect diversity, equality and human rights, <i>page 136</i>
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Topic Respect diversity, equality and human rights, <i>page 136</i>
GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Topic Respect diversity, equality and human rights, <i>page 136</i>
GRI 413: Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Topic A companion with the community and society, <i>page 160</i>
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	Topic Deliver value to customers, <i>page 146</i>
417-2	Incidents of non-compliance concerning product and service information and labeling	Topic Deliver value to customers, <i>page 147</i>
417-3	Incidents of non-compliance concerning marketing communications	Topic Deliver value to customers, <i>page 147</i>
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Topic Deliver value to customers, <i>page 147</i>

ABBREVIATIONS & TERMS

BOD	Board of Directors
GRI	Global Reporting Initiative
SDGs	Sustainable Development Goals
SBV	State Bank of Vietnam
ESG	Environment, Social & Governance
ESMS	Environmental and Social Management System for Credit Extension
E&S	Environmental and Social
CSR	Corporate social responsibility
SME	Small and medium-sized enterprises
GTFP	Global Trade Finance Program
ROE	Return on equity
CIR	Cost-to-income ratio
NIM	Net interest income
CAR	Capital Adequacy Ratio
LCR	Liquidity Coverage Ratio
NSFR	Net Stable Funding Ratio
IFC	International Finance Corporation
RCSA	Risk and Control Self-Assessment
LDC	Loss Data Collection
KRI	Key Risk Indicators
BCP	Business Continuity Plan



HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

25Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City

T (+8428) 62 915 916

F (+8428) 62 915 900

Hotline 1900 6060 (24/7)

www.hdbank.com.vn

