



SUSTAINABLE  
DEVELOPMENT REPORT

2022



BANK ON  
SUSTAINABLE GROWTH



# TABLE OF CONTENTS

MESSAGE FROM THE CHAIRWOMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE • 06-07

INTRODUCTION • 09

TRENDS OF SUSTAINABLE DEVELOPMENT • 10

OVERVIEW OF MSB • 12-16

MSB IN THE PROGRESS OF SUSTAINABLE DEVELOPMENT • 17-19

GRI STANDARDS • 46-51

EVALUATION OF SUSTAINABLE DEVELOPMENT CRITERIA IN MSB OPERATION • 22-45

# MESSAGE FROM THE CHAIRWOMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE



*Dear valued Shareholders, Customers, Partners and all Employees of MSB,*

In light of intricate and multifaceted turbulence occurring within the finance and banking sector and the economy at large in 2022, MSB opts for a flexible response plan to fluctuations with the goals of bolstering customer support, ensuring operational security and liquidity, fostering business expansion, and promoting sustainable development.

In 2022, MSB continued to implement its sustainable development strategy towards balancing economic, social, and environmental goals while ensuring benefits for stakeholders: providing the best working environment for staff, accompanying customers; positively contributing to the community; ensuring the rights of shareholders, and complying with the regulations of management agencies.

By adopting an adaptable approach in the face of the economic complexities and obstacles of 2022, MSB has achieved favorable outcomes. At the end of the fiscal year, the bank's total assets reached nearly VND 212,776 billion, an increase of approximately 4.5% compared to the previous year. Customer loans reached more than VND 120,600 billion, growing nearly 19% compared to 2021; attracted nearly 1 million new customers, bringing the total number of customers to nearly 4 million (3,892,477 retail customers, 43,446 small and medium-sized enterprises (SME customers), and 11,682 customers in the small-scale enterprise segment (SSE customers). MSB's SME and SSE customer portfolio consists primarily of the commercial (22%), construction (9%), and manufacturing sectors (8.1%), etc. In recent years, this portfolio has tended to shift to industries with green and sustainable elements such as renewable electricity, energy and technology services, science and technology, administrative services, healthcare and education support, information and communication, among others. The aforementioned accomplishments are the vigorous and continuous contributions of MSB officers and employees. MSB's Board of Directors always aims to build the bank into a place where "everyone wants to join and nobody wants to leave", with competitive-fair-comprehensive remuneration benefits. MSB has entered HR Asia's list of "Best Workplaces in Asia 2022."

In addition to business achievements, MSB also takes great pride in its consistent engagement with the community in social activities. To contribute to the improvement of society over the past year, MSB has funded the Border March-Border of Our Fatherland and The Whole Country Joins Hands for the Poor programs, awarded scholarships to disadvantaged students in Phu Yen province, built new houses for impoverished households in Tuyen Quang province, and more. The ethos of community development and love for nature and the environment are consistently spread in the MSB community. We believe that such morale will assist MSB in becoming a representative bank in the process of accompanying and developing with the community,

customers, and partners, thereby advancing sustainable operating results in Vietnam.

MSB acknowledges that while its operations in the finance and banking sectors may not have a direct environmental impact, the projects and clients financed and loaned by MSB may have direct or indirect environmental consequences. Therefore, MSB has been establishing and perfecting mechanisms and tools to carry out responsible loans, such as: incorporating Environmental, Social and Governance criteria (ESG) into the bank's risk management and operational processes; completing the Environmental and Social Management System (ESMS) according to international standards; establishing a roadmap and adjusting strategies appropriate to businesses to gradually reduce the proportion; and, in the future, limiting and gradually removing high-carbon emission sectors from the credit portfolio, focusing on providing finance to sectors and businesses with low emissions. Simultaneously, MSB seriously enforced environmental regulations, allocated numerous internal initiatives to promote awareness of prudent utilization of energy and natural resources; and implemented monitoring systems for energy consumption and waste discharge throughout operations in order to mitigate adverse effects on the environment at large.

The 2022 Sustainable Development Report is the first report and separate from MSB's Annual Report. This report is based on the Global Reporting Initiative (GRI) criteria set to fully address the impact of the sustainable development model, which links Economic - Social - Environmental growth and connects stakeholders. MSB will conduct annual Sustainable Development Reports and aim to audit these reports in the near future. This enables the Board of Directors of MSB to align business strategies with the Sustainable Development trend, while simultaneously ensuring that the interests of stakeholders are balanced.

We would like to express our deep gratitude to our Customers, Partners, Shareholders and all employees who have accompanied and supported MSB throughout the past journey. We will remain steadfast in our dedication to our selected mission and strive to optimize operational efficiency in order to strengthen MSB, generate enduring value for stakeholders, and guarantee the values are attached with social and environment criteria. Entering 2023, MSB hopes to accompany all Customers, Partners, Shareholders and all employees on the path to building a sustainable development community to reap outstanding success together.

Wishing you good health, happiness and success.

Thank you,  
**NGUYEN THI THIEN HUONG**  
Vice Chairwoman of MSB Board of Directors  
Chairwoman of the Sustainable Development Committee



## PART 1 INTRODUCTION

### Report overview

The 2022 Sustainable Development Report is developed to help clarify MSB's strategic direction and commitment to stakeholders. Preparing the Sustainable Development Report helps us proactively review and reassess the activities carried out during the year on aspects of sustainable development. When undertaking activities to achieve this objective, MSB consistently engages in dialogue with its partners to identify concerns and, consequently, to determine critical issues that require implementation, review, and enhancement. Through the Sustainable Development Report, MSB aims to provide transparency of information about the impacts of its activities on the economy, environment, and society to interested parties. This helps the Board of Directors orient business strategies according to Sustainable Development Goals while balancing the interests of stakeholders.

### Reporting standards

MSB's 2022 Sustainable Development Report is prepared according to GRI Standards: Core options\*. The report shows 4 main contents of the GRI Standards:

- GRI 100: General information
- GRI 200: Economic Standards
- GRI 300: Environmental Standards
- GRI 400: Social Standards

The report presents MSB's 2022 sustainable development actions towards the 17 Sustainable Development Goals of the United Nations.

### Reporting scope

MSB's Sustainable Development Report includes information and performance results of MSB and its subsidiaries on economic, environmental, and social impacts.

The 2022 Sustainable Development Report is MSB's first independent report and is prepared according to the accounting year, ending on December 31, 2022, and will be prepared on a periodic basis over the next period, following a one-year cycle. All information in this report is guaranteed to be accurate, clear, updated, and reliable.

### Units included in the report

MSB's operational reporting scope includes 1 head office, 62 branches, and 201 transaction offices in 51 provinces and cities across the country, as well as a subsidiary (Finance Company Limited for Community (FCCOM)).

### Reporting principles

The report is determined according to the following principles:

#### Principles for determining report content:

- Context of Sustainable Development
- Degree of importance
- Comprehensiveness
- Engage stakeholders

#### Principles for report quality determination:

- Precision
- Balance
- Clarity
- Comparison
- Trust
- Update

Concerning Sustainable Development, kindly send the inquiries or remarks to the following address:

#### Investor Relations Department

Email: [ir@msb.com.vn](mailto:ir@msb.com.vn)

Phone number: (024) 3771 8989

Address: Floor 29, TNR Building, 54A Nguyen Chi Thanh, Lang Thuong Ward, Dong Da District, Hanoi.

(\*) Optional items are shown in the GRI Standards specified in page 52

## PART 2

# TRENDS OF SUSTAINABLE DEVELOPMENT

### The international context of sustainable development

On September 25, 2015, the United Nations officially adopted 17 ambitious yet feasible global sustainable development goals. These 17 Sustainable Development Goals were prepared for action in the period between 2015 and 2030 in important areas of humanity before the COVID-19 pandemic occurred.



### Vietnam's commitment and progress towards sustainable development

According to forecasts based on a series of statistical data on targets by the end of 2019 (before the COVID-19 pandemic), Vietnam was forecast to be able to achieve 5/17 sustainable development goals by 2030, including the following: End poverty in all its forms everywhere; End hunger, achieve food security and improved nutrition and promote sustainable agriculture; Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; and Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

In 2020, the outbreak of the COVID-19 pandemic not only seriously affected people's health and lives but also caused disruption to the global supply chain in most fields, leading to a rise in the number of unemployed people and stagnating socio-economic activities and people's daily lives. For Vietnam, GDP growth in 2020 and 2021 had a negative impact on the results of implementing sustainable development goals, especially goal 3 on ensuring health and promoting well-being for all, goal 4 on quality education, goal 8 on sustainable economic growth and productive employment, and goal 10 on social inequality.

Vietnam, notwithstanding the devastating obstacles it has encountered, endeavored to sustain and further attain notable advancements in the implementation of sustainable development objectives, yielding remarkable outcomes: the multidimensional poverty rate has decreased sharply; the coverage index of essential health services is higher than the global average; the rates of students recognized for completing the primary school program and students graduating from middle school are both high; Information technology infrastructure significantly improved; the proportion of households living in temporary houses decreased rapidly; and Vietnam established relationships with 30 important partners, including 17 strategic partners and 13 comprehensive partners, etc.

In the coming time, the Government of Vietnam aims to complete sustainable development goals by 2030, such as economic promotion; infrastructure development and environmental pollution treatment; conservation of natural resources; natural disaster and climate change prevention; narrowing of the rich-poor gap and development levels between some areas, regions, and localities; and mobilization of resources to meet the needs of implementing sustainable development goals.

Vietnam is focusing on tasks and solutions, such as perfecting the policy and institutional system and improving policy implementation efficiency; fostering the resurgence of economic sectors in a green and circular direction to ensure sustainable economic development; and raising awareness and promoting cooperation among relevant parties to create spillovers in implementing sustainable development goals.



**PART 3**  
**MSB OVERVIEW**

**Overview**



- Trade name:**
- Full name in Vietnamese:  
**NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN HÀNG HẢI VIỆT NAM**
  - Full name in English:  
**VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK**
  - Trade name: MSB
  - Abbreviated name: MSB



**Business registration certificate:**  
Business registration certificate: No. 0200124891 issued by the Department of Planning and Investment in Hanoi for the first time on July 1, 2005 (originally Business registration certificate No. 055501 issued by the Economic Arbitrator (now known as Department Planning and Investment) in Hai Phong on March 10, 1992); and amended for the 26th time on January 13, 2023.



- Charter capital:**
- **VND 20,000,000,000,000**
  - In word: Twenty thousand billion Vietnam Dong



**Stock symbol: MSB**



**Network:**  
As of December 31, 2022, MSB had 1 Head office, 62 branches, 201 transaction offices in 51 cities nationwide



**Business line:**  
Currency, credit financial and banking products and services



- Head office address:**
- 54A Nguyen Chi Thanh Street, Lang Thuong ward, Dong Da district, Hanoi, Vietnam
  - Telephone number: (024) 3771 8989
  - Fax: (024) 3771 8899
  - Website: www.msb.com.vn



**Milestones**  
Vietnam Maritime Commercial Joint Stock Bank (MSB) was established in 1991 in Hai Phong city. After 31 years of development, MSB increased its charter capital up to VND 20 trillion with 6,000+ qualified employees, becoming one of the respected banks in Vietnam and providing full range of banking and financial solutions to all customer segments in the economy.

**Subsidiaries**  
**Finance Company Limited for Community (FCCOM)**

- Address: KT Floor of Thang Long office building - Thang Long Tower, No. 98, Nguy Nhu Kon Tum Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi City, Vietnam
- Phone: (84-24) 3259 5063
- Registered charter capital: 500,000,000,000 VND
- MSB's ownership ratio: 100%
- Business lines: Funding mobilization, credit facility, and other activities

**FCCOM's main loan product lines:**

- Consumer loans to customers with outstanding real estate mortgages
- Consumer loans to customers owning real estate
- Consumer loans to customers with income from salary
- Super-fast consumer loans
- Domestic credit card

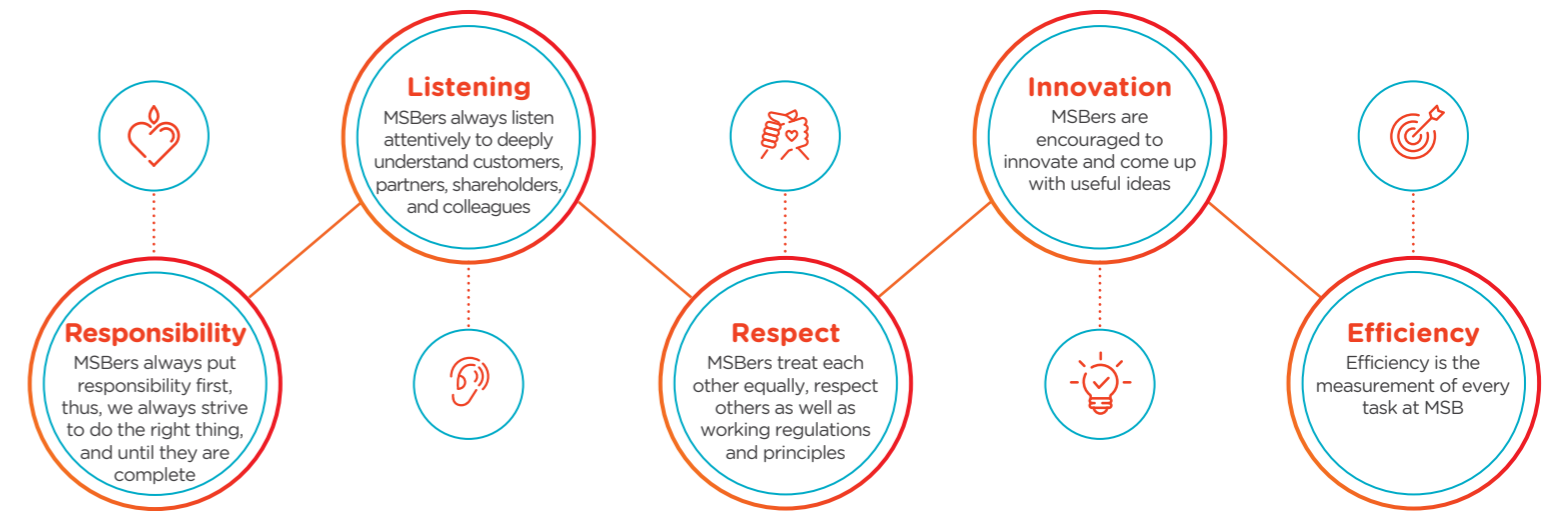
**MISSION**

**FOR A MORE CONVENIENT AND COMFORTABLE LIFE**

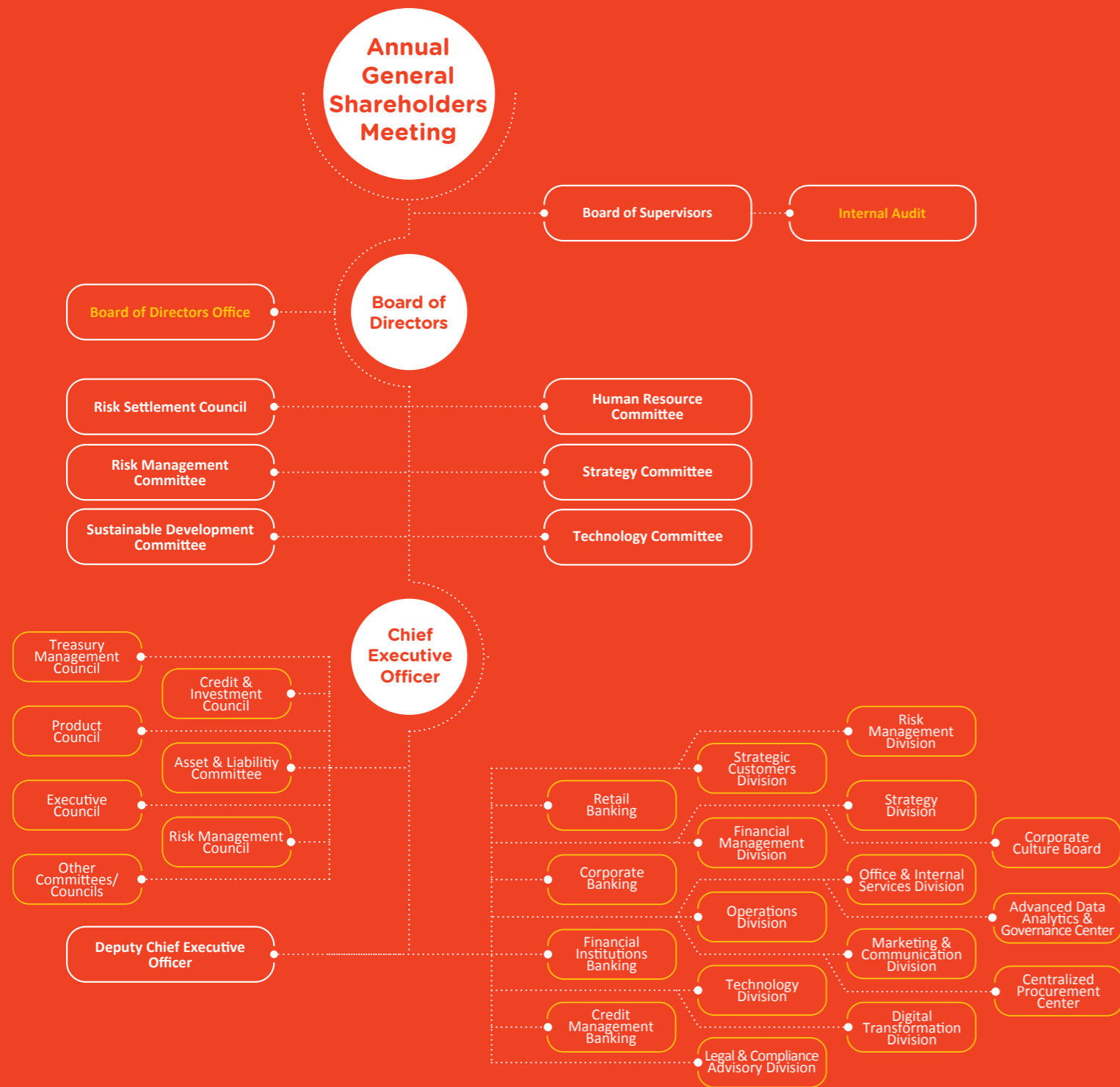
**VISION**

**BECOME A BANK WHICH EVERYONE WANTS TO JOIN AND NOBODY WANTS TO LEAVE**

**CORE VALUES**



- Main business line**
- Receipt of demand deposits, term deposits, savings deposits, and other types of deposits
  - Issuance of certificates deposit, promissory notes, Treasury bills, and bonds to mobilize domestic and foreign capital
  - Credit facility in the following forms: Loans; discounts; rediscount of negotiable instruments and other valuable papers; Bank guarantees; Credit card issuance; Domestic payment guarantee; International payment guarantee for banks licensed to make international payments; Other forms of credit facilities upon approval by the State Bank of Vietnam (SBV)
  - Payment account opening for customers
  - Provision of payment facilities
  - Provision of payment services



# BOARD OF DIRECTORS

- 1. Mr. TRAN ANH TUAN**  
**Chairman of the Board of Directors**  
*Master of Business Administration, Griggs University, USA.*  
 Mr. Tran Anh Tuan joined MSB's leadership in 2007 and acted as Vice Chairman of the Board of Directors, Chief Executive Officer. From February 2012, he has been holding the position of Chairman of the Board of Directors.
- 2. Mr. NGUYEN HOANG AN**  
**Vice Chairman of the Board of Directors**  
*Bachelor of Economics, Banking Academy, Vietnam*  
 Mr. Nguyen Hoang An joined MSB in 1991 and acted as Head of Credit Department, Thanh Xuan Branch Manager, Hanoi Branch Manager, Deputy Chief Executive Officer. From May 2018, he has been holding the position of Vice Chairman of the Board of Directors.
- 3. Ms. NGUYEN THI THIEN HUONG**  
**Vice Chairwoman of the Board of Directors**  
*Master of Business Administration, University of Hawaii, Manoa, USA*  
 Ms. Nguyen Thi Thien Huong has many years of experience in the banking industry. From 1995 to 2016, she worked at Techcombank and held different positions such as Head of Securities Project and Investment, Head of Credit Department, Deputy Chief Executive Officer and Standing member of Risk Audit Committee. From May 2018, she has been holding the position of Vice Chairwoman of the Board of Directors at MSB.
- 4. Mr. TRAN XUAN QUANG**  
**Member of the Board of Directors**  
*Master of Business Administration, University of Southern California, USA*  
 Mr. Tran Xuan Quang joined MSB since 1993 and held important positions such as Director of Transaction Office, Deputy Chief Executive Officer in charge of Corporate Banking and Retail Banking, Deputy Chief Executive Officer cum Head of Corporate Banking, Deputy Chief Executive Officer cum Head of Strategy Division, etc. From April 2016, he has been a member of the Board of Directors.
- 5. Mr. NGUYEN HOANG LINH**  
**Member of the Board of Directors, Chief Executive Officer**  
*Master of Business Administration, Hanoi University of Science and Technology, Vietnam*  
 With over 23 years of experience in banking and finance sector, Mr. Nguyen Hoang Linh has held many important positions in Vietnamese banks such as member of the Board of Directors, Chief Executive Officer at PVCombank; Chief Executive Officer at Western Bank; acting Chief Executive Officer at Vietnam Asia Bank, etc. He has dedicated to MSB for more than 16 years and is tasked with many key roles such as Ho Chi Minh Branch Director, Deputy Chief Executive Officer cum Head of Corporate Banking Division, Deputy Chief Executive Officer cum Head of Strategy Division, Deputy Chief Executive Officer cum Head of Retail Banking. In March 2020, he was elected as Chief Executive Officer. In September 2020, he was elected to the Board of Directors.
- 6. Ms. LE THI LIEN**  
**Member of the Board of Directors**  
*PhD in Science in Business Administration, California Miramar University, USA*  
 From 2007 to 2012, Ms. Le Thi Lien was the Chairwoman of the Board of Directors of Vietnam Maritime Commercial Joint Stock Bank term IV cum the representative of the ownership in MSB of Vietnam Posts and Telecommunications Group (VNPT). She also acted concurrently as Head of Investment and Capital Management at VNPT. From 2012 to 2017, she held various positions such as Head of Investment and Capital Management Department, Deputy Head of Finance - Strategy Division under the Members' Council of VNPT. From May 2018 to April 2022, she was elected as independent member of the Board of Directors. From April 2022, she has been a member of the Board of Directors.
- 7. Mr. TA NGOC DA**  
**Independent member of the Board of Directors**  
*Bachelor of Economics, University of Economics Ho Chi Minh City, Vietnam*  
 He has held important positions at Vietnamese banks: Director of SME Division, Director of Credit Management Division - Vietnam International Commercial Joint Stock Bank (VIB); Deputy General Director of National Citizen Commercial Joint Stock Bank (NCB); Deputy General Director cum Director of Ho Chi Minh Centralized Credit Processing Center, Deputy General Director cum Director of Credit Approval Division; Deputy General Director cum Director of Risk Management Division; and Deputy Chief Executive Officer of Vietnam Maritime Commercial Joint Stock Bank (MSB). Prior to his appointment as an independent member of MSB's Board of Directors in April 2022 to present, he oversaw and administered a number of substantial enterprises in Vietnam's service and real estate sectors.



KEY FINANCIAL INDICATORS OF MSB IN 2022

TOTAL ASSETS  
**212,776**  
BILLION VND

CHARTER CAPITAL  
**20,000**  
BILLION VND (\*)

OWNER'S EQUITY  
**26,654**  
BILLION VND

TOTAL OPERATING INCOME  
**~10,700**  
BILLION VND

OPERATING COSTS  
**4,427**  
BILLION VND  
of which, employee costs  
(salaries and benefits): 2,647 billion VND

AVERAGE CASA RATIO  
**36%**  
(2021: 32%),  
top 3 in the market

PROFIT BEFORE TAX  
**5,787**  
BILLION VND

PROFIT AFTER TAX  
**4,616**  
BILLION VND

ROAE  
**18.44%**  
(2021: 19.82%)

Capital adequacy ratio (CAR)  
**12.33%**  
(2021: 11.52%)

CONSOLIDATED NON-PERFORMING LOAN RATIO - NPL  
**1.24%**  
(2021: 1.20%)

FIRST-TIME INTERNATIONAL FUNDING FOR GREEN CREDIT  
**30** MILLION USD

(\*) the decision No. 45/QĐ-NHNN on amending business registration certificate in which charter capital was amended to VND 20,000 billion.



PART 4

TREND OF MSB'S SUSTAINABLE DEVELOPMENT ACTIVITIES

MSB'S SUSTAINABLE DEVELOPMENT PROCESS  
MSB's sustainable development orientation

MSB believes that it is impossible for a company to survive if it neglects the long-term effects on society, the environment, and the interests of its stakeholders in favor of short-term objectives. MSB orients its development activities based on the 17 sustainable development goals of the United Nations. From a strategy-orientation standpoint, the bank's Board of Directors is ready to promote green credit development, standardize operations, and transform the model to become a responsible bank in the process of realizing global sustainable development goals.

MSB's development orientation in the coming period:

Economic goals:

- Take the lead in developing friendly, transparent, and safe banking products and services for customers and investors
- Promote profitable growth associated with sustainable development, comply with the law, and ensure the benefits of stakeholders
- Become the leading prestigious bank in Vietnam

Social goals:

- **For employees:**
- + Continue to maintain and support the well-being of all employees and also their families in order to boost employee performance

- + Maintain the quality of facilities to create a professional, comfortable and friendly working space
- + Conduct in-depth internal training courses for senior employees, and orientation training for new employees
- + Develop a healthy working environment for employees to constantly foster, improve and develop themselves
- Ensure gender equality, avoid discrimination in recruitment, empowerment and promotion
- + Strictly supervise and implement the principles of equality

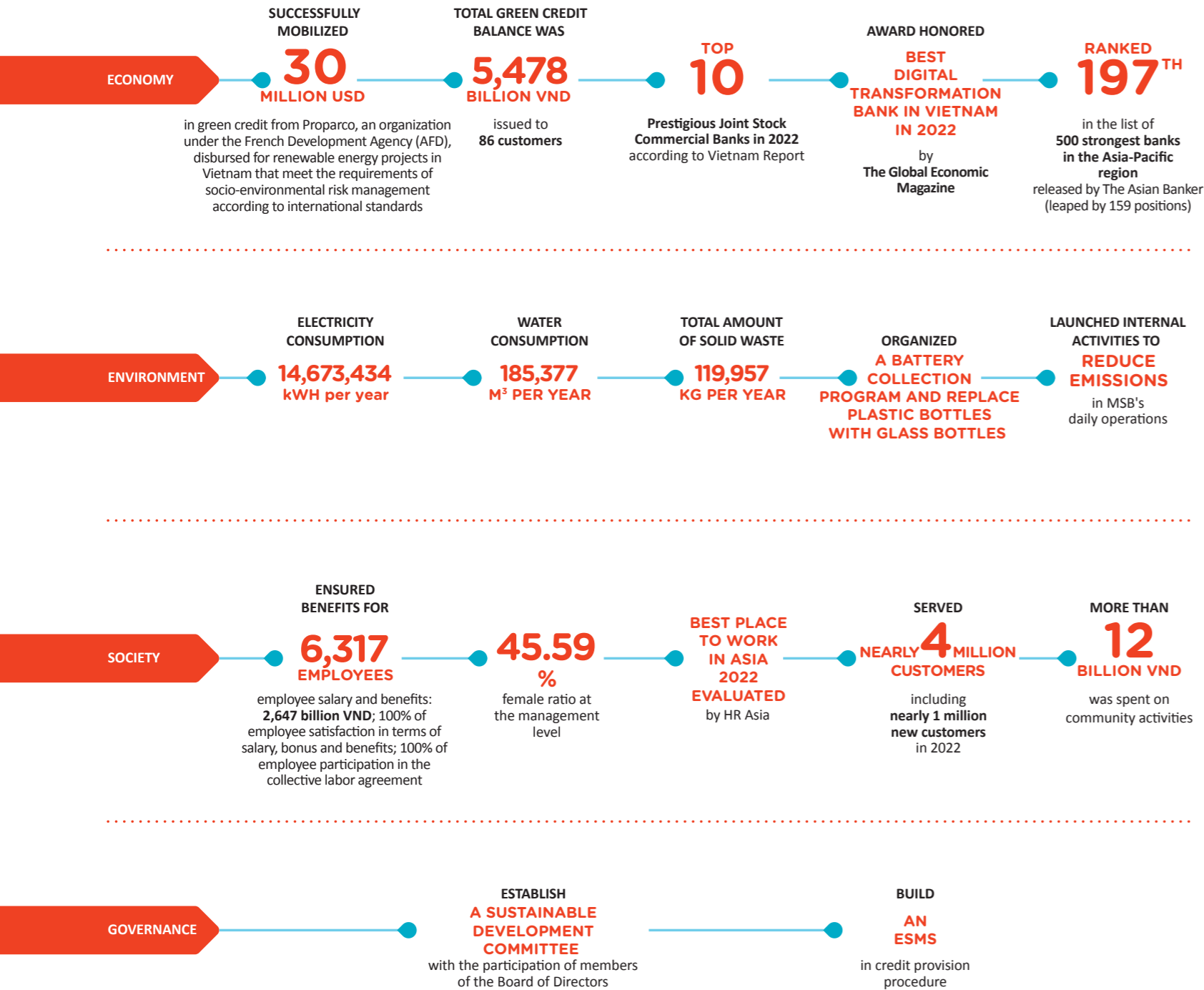
• **For the community:**

- Make responsible investments and commit to invested projects. Actively engage in community activities in the cities where MSB branches are present to improve the quality of life.

Environmental goals:

- Bringing funding and investment opportunities to "green" projects
- Review and closely evaluate credit facilities for all projects to ensure that credit is not granted to organizations/projects in the exclusion list and aim at "zero" net emission supply chains
- Target to partner with a climate-neutral service provider portfolio
- Implement a program to raise awareness among employees on environmental protection
- Control and mitigate environmental impacts from the bank's activities

**MSB'S SUSTAINABLE DEVELOPMENT PERFORMANCE IN 2022 AND PLAN FOR 2023**



**IMPLEMENTATION OF UNITED NATIONS DEVELOPMENT GOALS AT MSB**

MSB's performance in 2022 according to the United Nations' sustainable development orientation:



## ACTION PLAN FOR SUSTAINABLE DEVELOPMENT IN 2023

Based on the assessment and forecast for 2023, MSB sets out the key tasks for the sustainable development goals as follows:

- Complete and implement the ESMS system in credit facilities from June 2023. Source cost-efficient medium- and long-term funding for green credit and expect to increase 30% of total disbursement to customers meeting "green" standards in 2023
- Maintain robust and sustainable business growth, continuously improve and enhance operational efficiency and competitiveness
- Continue to improve the management system for sustainable development in the enterprise
- Maintain and extend additional activities to support and take care of the lives and well-being of all employees
- Implement energy-saving programs, invest in digitalization, reduce resource-consuming activities, and minimize waste within the bank, targeting to reduce CO2 emissions by 3%
- Continue to strongly spread great human values to the community through activities of sponsoring educational initiatives, improving the living environment, and inspiring green lifestyles



## EVALUATION OF SUSTAINABLE DEVELOPMENT CRITERIA IN OPERATIONS OF MSB

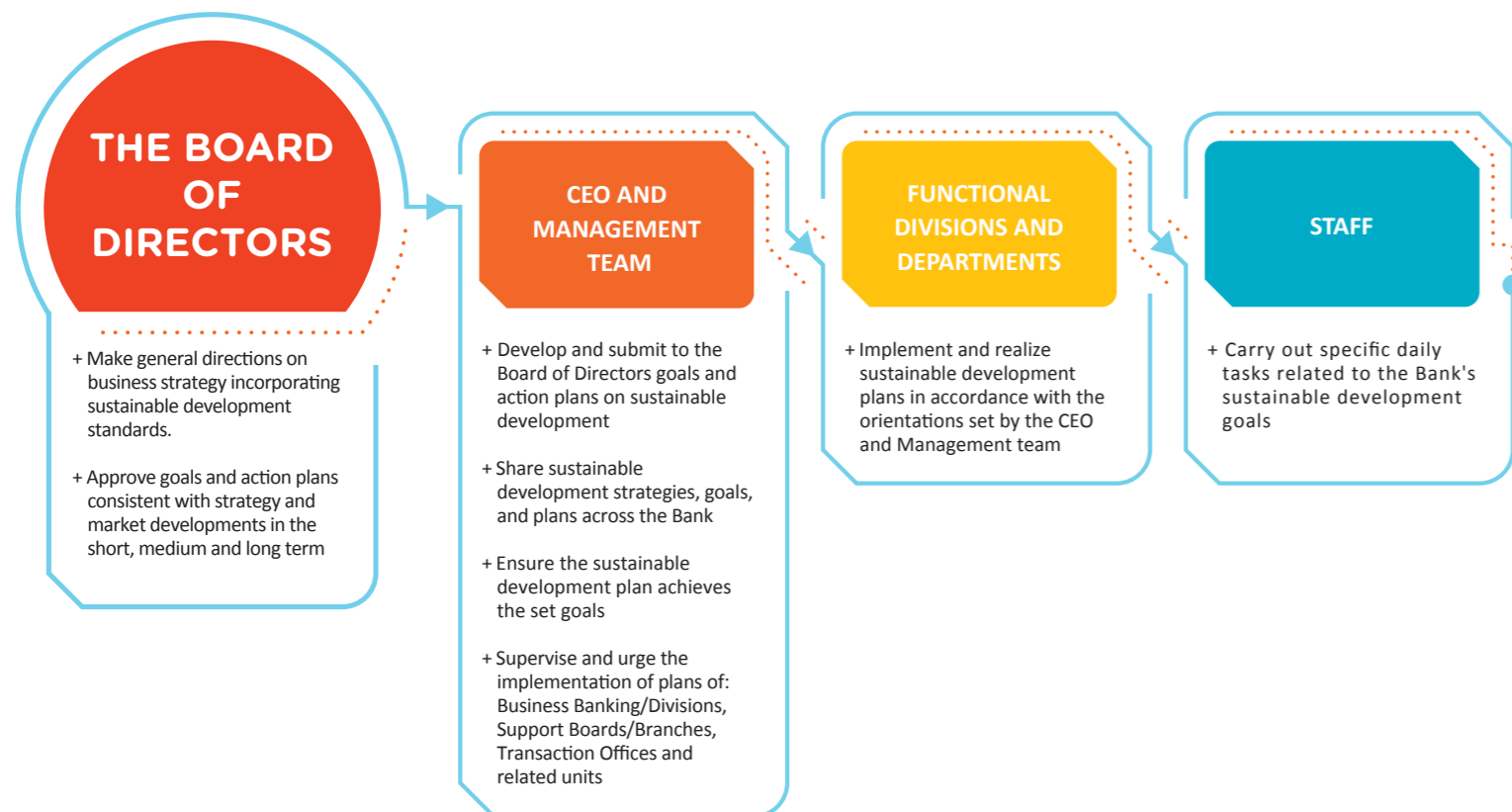
### GOVERNANCE AIMING AT TRANSPARENCY AND PROMOTION OF STAKEHOLDER INTERESTS

#### Governance structure for sustainable development

##### Governance method for sustainable development

On the basis of compliance with relevant legal regulations combined with international practices on corporate governance, in addition to building and perfecting the governance structure in the direction of becoming increasingly strong and approaching international standards, MSB has built a sustainable development governance framework (corporate governance), including the charter, regulations and legal documents within the bank to create a professional, thorough, transparent, and effective governance system. The Bank upholds the principle of prioritizing the interests of both shareholders and stakeholders while simultaneously aligning development goals and exhibiting responsibility towards society and the environment as its topmost governance principle.

#### Management structure related to sustainable development



#### SUSTAINABLE DEVELOPMENT COMMITTEE

Member	Position
Ms. <b>Nguyen Thi Thien Huong</b> , Vice Chairwoman	Chairwoman
Mr. <b>Nguyen Hoang Linh</b> , CEO	Vice Chairman
Ms. <b>Nguyen Huong Loan</b> , Deputy CEO/Head of Financial Institutions	Member
Ms. <b>Nguyen Thi Thu Hang</b> , Head of Financial Management Division	Member
Ms. <b>Dinh Thi To Uyen</b> , Deputy CEO/Head of Strategy Division	Member
Ms. <b>Le Cam Thuy</b> , CRO	Member
Heads of Business Banking or Heads of Divisions/Departments in charge of relationship management	Member

## Risk and risk management strategy

### Risk identification

Risk in banking activities is the possibility of losses (financial losses and non-financial losses) in the process of achieving business goals, which cause a reduction in income and equity capital, leading to a decrease in the capital adequacy ratio (CAR) or limiting MSB's ability to achieve business goals.

MSB fully and accurately identifies key risks and all other risks arising from business activities and interactions between types of risks in transactions, products, activities, and business processes of MSB.

A list of key risks identified by MSB in the Risk Management Strategy Statement for each period includes: Credit risk, Market risk, Liquidity risk, Interest rate risk in the banking book, Operational risk, Concentration risk.

MSB also built a comprehensive risk management system, a collection of internal policies and regulations on risk management; organizational structure for risk management; and implemented by the organization to identify, measure, evaluate, monitor, control and mitigate risks.

### Risk management strategy

By adopting a perspective on risk management that sees risk as a factor or opportunity to enhance business operations rather than an obstacle that needs to be avoided, MSB's risk management strategy serves as a declaration of risk management that accompanies, guides, and promotes business development through specific goals, as well as principles and implementation methods to achieve such goals.

Risk management strategy is suitable to MSB's risk tolerance, which is the risk limit that MSB must adhere to the provisions of law and the State Bank of Vietnam and is the highest risk threshold that MSB accepts to be binding on with shareholders, customers, and stakeholders.

The risk management strategy of MSB offers clear objectives, guiding principles, and roadmaps for achieving those objectives and is designed for every kind of key risk. In each period, the level of detail of the risk management strategy is consistent with the scope, complexity, and level of risk in MSB's operational activities.

In 2022, MSB reviewed and updated its risk management strategy to flexibly adapt to the significant growth of digital content in MSB's financial products and services, as well as integrate with

international standards regarding social – environment aspect, from which it provides principles, implementation methods, and action plans to digitize and automate risk management operations and, at the same time, implement socio-environmental risk management in credit facilities.

### Implementation of risk management

An advanced risk management framework is built, updated, and promoted continuously by MSB. The principle of three independent lines of defense in compliance with SBV regulations is implemented, demonstrating risk management responsibility, in which:

- The first line of defense has the function of identifying, controlling, and minimizing risks, including the following units:
  - + Business departments (including product development departments), departments with other revenue-generating functions; Departments with appraisal and approval functions and other departments with the function of implementing risky decisions;
  - + Departments with the function of allocating risk limits, controlling risks, and minimizing risks (belonging to business departments or independent departments) for each type of transaction and business activity;
  - + Human resources department, accounting department
- The second line of defense has the function of developing risk management policies, internal regulations on risk management, measuring and monitoring risks, and complying with legal regulations implemented by the following departments:
  - + Compliance department;
  - + Risk management department
- The third line of defense has the internal audit function, is responsible for providing independent opinions on risk management throughout the system, including to the Board of Supervisors and the Internal Audit department

A governance apparatus was optimally organized by MSB; accordingly, with the consulting advice of the Risk Management Committee, the Board of Directors effectively exercised high-level supervision, promptly got informed, and gave directives on bank-wide risk management. At the executive level, the CEO was provided with sound advice from the Risk Management Council, ALCO, and other councils in implementing risk management activities directed by the BOD. The Risk Management Division duly performed its role as the second line of defense, issuing risk policies, applying risk measurement, monitoring, and reporting, and triggering prompt warnings to the CEO and the BOD if potential risks may impact the operations and business targets of the bank.

A thorough risk management process is implemented, from identifying, measuring, and evaluating to monitoring and controlling risks, in particular:

- Risk identification:
  - + Identify risks for each banking segment, economic sector or industry, product, transaction partner, etc
  - + Fully identify risks and causes of risks
- Risk measurement and evaluation:
  - + MSB measures the level of risk (high, medium, or low) based on determining the frequency and level of the short-term and long-term impact of such risk on income, the capital adequacy ratio, and the possibility of achieving MSB's business targets
  - + Measure and evaluate all identified risks;
  - + Ensure timely and accurate risk monitoring and effective risk control
  - + Risk measurement and assessment are carried out using methods and models (including internal credit rating systems)
- Monitor risks
  - + Monitor risk statuses against risk limits, risk appetite that are acceptable by MSB;
  - + Monitor the process of implementing risk mitigation measures, correcting errors and shortcomings;
  - + Monitor and supervise compliance with internal/SBV regulations on risk management
- Risk control
  - + Control risk statuses, transactions, and activities according to corresponding risk limits and take measures to prevent, minimize, and promptly handle risks
  - + Risk control aims to ensure compliance with risk limits and control risks that do not exceed MSB's risk appetite and acceptable limits
  - + Prioritize controlling and handling high and medium risks and potential losses;

From 2022, an environment – social risk management system was established and integrated into MSB's overall risk management framework.

Previously, in 2015, MSB was soon aware of environment - social risk management, ensuring full implementation of the SBV's requirements on green credit growth promotion. Simultaneously, it sought opportunities to access capital investment from IFC, ADB, Proparco.

In pursuit of establishing a comprehensive environment - social risk management system that aligns with international practices and partner requirements, MSB has undertaken research initiatives and remains receptive to guidance from experienced international organizations for the improvement of its environment - social risk

management, such as Moody's - international rating agency, KPMG's environment - social risk management and governance consultancy, and the scoring of environment - social - governance issues by Fair Finance Asia (FFV).

Starting in 2023, MSB will continue to improve and implement the environment - social risk management system in credit facilities (strengthening personnel, completing policies and procedures, providing guidance on environment - social risk assessment, deploying training, and reporting at the request of partners and management agencies), advancing towards the integration of environment - social risk assessment into the bank's credit risk assessment with consulting and training support from organizations with international experience. These are also the next steps in the plan towards building a green bank and sustainable development.

### Sustainable business promotion system

MSB is conducting a review, management, and monitoring of environmental, social, and governance (ESG) issues related to the bank's business operations by establishing an ESG decision-making system with the Sustainable Development Committee at its heart. The business council meeting will set up the agenda and goals for ESG, as well as discuss issues that are related to key areas. The Sustainable Development Committee meeting will be held quarterly and upon practical requirements to review and approve ESG policies and strategies as well as monitor ESG performance.

### Engage stakeholders

#### Stakeholders selection

MSB understands the goal of sustainable development can only be achieved with the companionship of stakeholders. The participation of stakeholders is beneficial to MSB since it provides specific directions and actions during bank's development journey which is always connected with its community values.



Stakeholders are entities/partners that have the ability to influence MSB's operations, or are affected by MSB's operations, including:




- Customer
- Government and State management agencies
- Shareholders, investors
- Employees
- Partners
- Community
- The media



  
**RỪNG PHÒNG HỘ  
VEN BIỂN**  
THUẬN NAM - NINH THUẬN  
Tài trợ bởi  
 **MSB**  
Chương trình "Cùng MSB trải xanh Việt Nam"  
  



Mechanisms for communication and behavior with stakeholders

Stakeholders	Issues of concern	MSB action	Approach	Frequency of dialogue
 <b>Customer</b>	<ul style="list-style-type: none"> <li>Product/service quality, product information, promotions and incentives</li> <li>Complaint process, information request, and inquiry responses</li> <li>The prestige, position and brand of the Bank</li> <li>System stability and information security for customers</li> <li>Product portfolio is diversified in term of types and pricing and satisfied the demand of each customer segment</li> <li>Treat all customer types with equal regard</li> </ul>	<ul style="list-style-type: none"> <li>Research and develop products and services to meet market needs</li> <li>The Customer Service Department promptly responds to inquiries, complaints, and requests for information via hotline, fan page, and customer connection channels</li> <li>Ensure regular interaction and receipt of opinions through channels such as the Contact Center, survey emails, and face-to-face meetings</li> <li>Provide accurate, transparent information about products and projects, advise customers with full information ranging from product advantages to risks</li> <li>Invest heavily in information technology systems and resources to guarantee system and information security, information and assets of customers</li> <li>Build a brand of impeccable standing in the domestic and international markets</li> </ul>	<ul style="list-style-type: none"> <li>Branch/transaction office</li> </ul>	<ul style="list-style-type: none"> <li>All working days of the year</li> </ul>
			<ul style="list-style-type: none"> <li>Contact Center</li> </ul>	<ul style="list-style-type: none"> <li>24/7 - Continuously</li> </ul>
			<ul style="list-style-type: none"> <li>Website/social networks</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
			<ul style="list-style-type: none"> <li>Information on mass media</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
 <b>Government and State management agencies</b>	<ul style="list-style-type: none"> <li>Fulfill obligations and implement plans, guidelines and policies of the State;</li> <li>Obligation to comply with the law, demonstrating compliance</li> <li>Contribute opinions on the development of legal documents;</li> <li>Contribute opinions to develop the market and solve arising market issues</li> <li>Participate in training, disseminate professional knowledge, and catch new trends</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with all Laws and Regulations of the State and Management Agencies in all activities of the Bank, large-scale public companies, and listed companies</li> <li>Fulfill all required accountability and tax obligations, and serve periodic inspections as required</li> <li>Fulfill the obligation to disclose information fully and on time according to regulations, ensuring transparency and compliance</li> <li>Regularly and fully update information about laws and State regulations to ensure no violations occur</li> <li>Engage in initiatives and programs initiated by State agencies to support the community and society</li> <li>Actively participate, serve as a member of industry associations, contribute opinion to build markets, develop new products, etc</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Multiple times/year</li> </ul>
			<ul style="list-style-type: none"> <li>Reports, requests for comments, written explanations (periodically, upon request, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Multiple times/year and depending on each type of report</li> </ul>
			<ul style="list-style-type: none"> <li>Annual report/sustainable development report</li> </ul>	<ul style="list-style-type: none"> <li>01 time/year</li> </ul>
			<ul style="list-style-type: none"> <li>Monthly/quarterly report according to regulations</li> </ul>	<ul style="list-style-type: none"> <li>Multiple times/year</li> </ul>
			<ul style="list-style-type: none"> <li>Other communication channels (website, email, phone)</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>

Stakeholders	Issues of concern	MSB action	Approach	Frequency of dialogue
 <b>Shareholders, investors</b>	<ul style="list-style-type: none"> <li>Banking operation efficiency, operating policies, business plans, and strategies over periods, etc</li> <li>Transparent and timely banking information</li> <li>Shareholders' rights: participate in meetings, vote for opinions; contribute opinions on the bank's operations</li> <li>Ensure shareholders' rights (dividends, bonus shares, stock rights, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Effectively use investment capital</li> <li>Maintain a regular and appropriate dividend payment policy</li> <li>The Bank's reports and information disclosures are presented and published transparently, publicly, completely, and within time requirements</li> <li>Ensure equality in all activities between domestic and foreign shareholders, individual, and institutional shareholders</li> <li>Maintain connections and interactions with investors, shareholders, and parties who are interested in MSB shares via online tools</li> <li>Provide complete, timely, and transparent responses to shareholder inquiries</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>01 time/year</li> </ul>
			<ul style="list-style-type: none"> <li>Extraordinary General Meeting of Shareholders, collection of written opinions from shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Many times/year when it arises</li> </ul>
			<ul style="list-style-type: none"> <li>Meetings with Bank Board Representatives (online or in person), quarterly business performance announcements, meetings as required</li> </ul>	<ul style="list-style-type: none"> <li>Several times/year, quarterly, depending on actual fluctuations and market needs</li> </ul>
			<ul style="list-style-type: none"> <li>Other communication channels (website, information portal of the State Securities Commission, State Bank of Vietnam (SBV), Ho Chi Minh Stock Exchange, Vietnam Securities Depository Center, email, phone)</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
 <b>Partners</b>	<ul style="list-style-type: none"> <li>Cooperate for mutual development and mutual benefit on the basis of adherence to legal documents and the interests of each party's stakeholders</li> <li>Produce, execute and deploy projects responsibly</li> <li>Project implementation capacity Corporate reputation</li> <li>Implement strictly the committed terms and conditions; cooperate in an open and transparent manner</li> </ul>	<ul style="list-style-type: none"> <li>Regularly exchange information, communicate and present current needs and plans related to forthcoming requirements</li> <li>Support, endeavor, collaborate, and guarantee adherence to legal regulations when addressing shared challenges and contractual obligations among parties.</li> <li>Direct collaborative efforts between the parties according to the orientation and standards of sustainable development</li> <li>A transparent and candid demeanor in all cooperative endeavors, adherence to the principle of mutual benefit, and optimal assistance for all requests</li> <li>Enhance brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>Multiple times/year, quarterly or monthly, depending on actual requirements with partners</li> </ul>
			<ul style="list-style-type: none"> <li>Other communication channels (email, phone...)</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
 <b>Community</b>	<ul style="list-style-type: none"> <li>Policies to support investment and development of key economic sectors and sustainable development sectors and assist segments experiencing difficulty according to periods and orientations of Management Agencies and Government</li> <li>Generate employment opportunities and actively participate in initiatives that safeguard human rights and children's welfare, gender equality, and reduction of the rich-poor gap, etc</li> <li>Carry out community and social activities that contribute to the development of the local community</li> </ul>	<ul style="list-style-type: none"> <li>Proactively collaborate with stakeholders to develop policies, products, and recruitment strategies that align with the objectives of the community</li> <li>Regularly implement charity, volunteer programs, and community activities</li> <li>Investment strategies associated with ESG factors</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
			<ul style="list-style-type: none"> <li>Annual report, Sustainable development report</li> </ul>	<ul style="list-style-type: none"> <li>1 time/year</li> </ul>
			<ul style="list-style-type: none"> <li>Bank publications</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>
			<ul style="list-style-type: none"> <li>Information in the media</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>

Stakeholders	Issues of concern	MSB action	Approach	Frequency of dialogue
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Working environment, fairness, non-discrimination, development opportunities</li> <li>Training policy</li> <li>Benefit policies, salary and bonus, working regime, health care insurance regime</li> <li>Recruitment</li> <li>Recognized achievements and contributions</li> </ul>	<ul style="list-style-type: none"> <li>Build a comfortable, safe working environment, balance between work and life</li> <li>Construct an all-encompassing and appealing system of compensation and benefits, which is routinely modified in response to the market's level of development</li> <li>Establish a capacity evaluation system that is effective and fair</li> <li>Organize internal and specialized training courses to improve professional qualifications and facilitate development and advancement</li> <li>Reward individuals and groups with outstanding achievements</li> <li>Provide health care program for employees and relatives</li> </ul>	Internal meeting	Continuously
			Internal training and coaching program	Continuously
			Periodic events of the Bank	Periodically, according to the event calendar
			Other communication channels (email, phone, internal communication channels, etc.)	Continuously
 <b>The media</b>	<ul style="list-style-type: none"> <li>Information about the bank's operations, business performance, financial data, product information, awards, rankings, etc</li> <li>Information about the market and perspectives of leaders on the market situation, and development plan</li> <li>Information disclosure in accordance with regulations in a prompt, adequate, and transparent manner</li> <li>Information exchange, cooperation, declarations, and statements shared with media agencies about businesses and industries must be clear, accurate, comprehensive, and timely</li> <li>Ability to implement proposed plans and comply with commitments to customers and State management agencies</li> </ul>	<ul style="list-style-type: none"> <li>Proactively and regularly provide accurate information to the press and media. Support and answer press questions and concerns promptly and quickly</li> <li>Update business performance and project progress periodically/regularly through newsletters, press conferences, information portals of management agencies, communication channels of management agencies, partners, event news on the bank's website, TV channels, radio, and social networking sites</li> <li>Communication through social events (charity, awards, competitions, sponsorship of major media programs, etc.)</li> <li>Propose the engagement of experts to participate in numerous in-depth interviews in response to occurrences that impact the bank's operations, market volatility, introduction of new products or strategies, and so forth</li> </ul>	Information disclosure	Continuously
			Press Conference	Depending on the event schedule
			Interviews	Continuously, upon request
			Other communication channels (email, phone, advertising through media programs, television, etc.)	Continuously



### Suppliers selection

With regard to the framework of all-encompassing and sustainable development, MSB anticipates that its suppliers can also join hands in sustainable development activities. MSB's criteria for selecting suppliers include the following: the quality of the service or product, the reputation of the supplier, the price, the requirements for sustainable development, transparency, and any other conditions that are appropriate. In addition, MSB also promotes healthy and fair competition for common business benefits, all the while maintaining harmony between benefits and sustainable development.

MSB has developed a Code of Conduct for Suppliers (Decision 5485/2022/QĐ-TGD was issued on July 28, 2022), which includes both social and environmental factors. MSB expects all suppliers to support and respect the protection of human rights and not commit, participate in, or facilitate human rights violations, while ensuring compliance with globally accepted recruitment practices and prioritizing worker health and safety. MSB also targets its suppliers who are committed to working for the environment and bringing useful values to the community and society. MSB prioritizes cooperation with suppliers that apply the codes of conduct in this Code. In addition, MSB's suppliers are also evaluated in accordance with the Regulations on Quality Assessment of Goods and Service Providers in Procurement (QĐ.MS.001.2022).

### Socio-economic compliance

For the purpose of ensuring sustainable development for enterprises, enhancing reputation, and providing financial benefits for the bank, transparency and clarity in socio-economic activities are considered. This issue is consistently advocated for by MSB Board of Directors (BOD) and Board of Management in all of its endeavors. As a result, the management team and all employees are required to comply with the laws and regulations related to the finance and banking industry as a criteria in the code of professional ethics. MSB is committed to maintaining a high level of honesty and transparency in its dealings with various stakeholders, assuring that principles of fair competition are adhered to, and ensuring that the most recent legal rules are regularly updated and put into effect.

*In 2022, no minutes or notices were made related to violations of regulations in the socio-economic field at MSB.*

### Anti-corruption

For example, corruption in particular and non-compliance in general not only have a detrimental effects on businesses in terms of their finances, business operations, and reputation, but they also have negative economic and social impacts, such as the misallocation of resources and the erosion of the rule of law. The strict and transparent application of internal regulations, rules, and policies in all activities will contribute to limiting compliance risks, preventing corruption in the enterprise, and fostering a greater sense of responsibility in each individual. In an effort to prevent corruption, MSB has issued the Anti-Corruption Regulations and established the Anti-Corruption Committee. In addition, the bank incorporates a variety of governance measures in order to improve compliance risk control. Additionally, the bank encourages its executives and workers to be aware of anti-corruption rules and regulations, in addition to other internal policies and regulations that the bank has in place.

At MSB, to prevent corruption, units throughout the MSB system seriously carry out the following actions:

- Carry out inspection and compliance control activities on a regular basis in order to detect and prevent corrupt acts and signs of crime at MSB;
- Provide information in a timely manner regarding corrupt activities of individuals in positions of authority and coordination with competent State agencies in order to prevent and resolve corruption;
- Build a healthy, corruption-free corporate culture through the development of rules of professional ethics and business ethics; Develop codes of conduct and internal control mechanisms in order to prevent corruption;



- Apply anti-corruption measures to non-state businesses and organizations, such as the following: Disclosure and transparency in the content of activities and responsibilities for public and transparent implementation; Control the conflict of interest internally; Responsibilities and handling of responsibilities of the team head and the head's deputies when internal corruption occurs;
- Self-inspection to detect, handle and make recommendations to competent State agencies about corrupt acts;
- Subject to inspection by competent authorities in inspecting the implementation of anti-corruption laws;
- It is imperative that the company upholds high standards of corporate ethics, honesty, and financial transparency in order to sustain successful relationships with both its partners and its customers. It is required that each party (MSB and partners, customers) commit and guarantee that the person for each party (employees, workers, or any designated person) does not commit acts directly or through intermediaries that give or will give any benefit to any person with position or authority, or any other individual or organization, in such a way that the person with position or authority does or does not do something for the benefit of the bribing party or at the request of the bribing party
- Focus on extensive training and communication that attaches personal responsibility to all employees as soon as they receive work; engage in continuous training and improvement, specialization, and experience sharing in preventing fraud, corruption, and crime in the non-state sector

To prevent and limit possible risks related to compliance, including anti-corruption, MSB has been implementing the following solutions:

- MSB discloses information regarding its organization and operations in a public and transparent manner, with the exception of content classified as State secrets, business secrets, or as required by law and MSB regulations
- Develop processes and regularly review them in accordance with legal regulations and operational practices;
- Raise employee awareness of compliance by improving compliance training and developing software for compliance training that facilitates the participation of all staff members and provides quick access to legal regulations and the Bank's internal policies;
- Control conflicts of interest in banking operations

- Establish an internal control apparatus under three independent lines of defense to meet the common operational needs and to contribute to the prevention of crime and corruption; formulate and enforce a code of conduct and professional ethics; perform effective inspections and internal controls; and coordinate to enhance internal audits and surprise inspections for the effectiveness of deterrence, prevention, and mitigation of ethical risks in banking operations
- Develop technology and software systems to automate compliance control, alert functions, and provision of reports for management;
- Clear policy of reward and discipline for cases of denunciation of corruption and corruption acts

*In 2022, MSB did not record any corruption cases.*

#### **2023 plan on governance quality improvement**

In the year 2023, the mission of MSB is oriented to build and develop the principles of transparent and fair corporate governance on rights, as well as to ensure the professionalism of the organization. Additionally, MSB is committed to cultivating its corporate culture in accordance with the objectives of Responsibility - Respect - Listening - Efficiency, and at the same time, advancing towards the strategic goal of comprehensive digital transformation.

#### **FINANCIAL STABILITY CREATES THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT**

##### **Economic performance**

In 2022, MSB initially accomplished its customer support mission by providing convenient products that facilitate the experience of such customer segments, ensuring streamlined business operations, and enhancing risk management, with a particular emphasis on liquidity adequacy during challenging periods of the common market. This was accomplished in spite of post-pandemic challenges, unforeseeable adverse effects from the global economy and politics at large, and the domestic trust crisis. Furthermore, since the beginning of the year, the bank has successfully executed the majority of its ambitious plans and established strong groundwork for its strategy of transitioning into the stage of promoting sustainable development.

In year 2022, MSB achieved positive economic results. The bank had achieved a total operating income (TOI) of about VND 10,700 billion. Business activities that generates interest income also grew significantly. Over the course of the entire year 2022, MSB reported profits of VND 5,787 billion before taxes and VND 4,616 billion after taxes, respectively. Both of these figures represent an increase of around 14%.

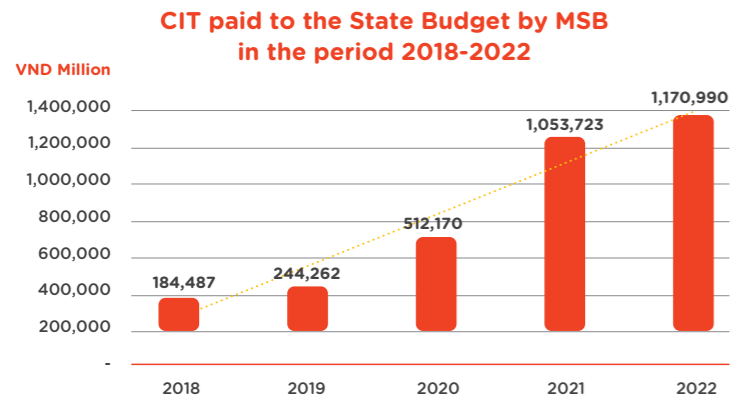


Additionally, in the year 2022, MSB was successful in acquiring about one million new customers, bring the total number of consumers to nearly four million. The steady implementation of digitization projects, workflow transformation, and sales capacity development resulted in impressive growth figures in terms of both the volume and value of e-transactions. Notably, the value of e-transactions in the retail banking sector climbed by 32% compared to 2021, which is 2.4 times higher than in 2020. Furthermore, the number of transactions in retail banking increased by 61% compared to 2021, which is three times higher than in 2020.

With the determination of more than 6,000 employees, the shared commitment to conquer the goals as a professional organization, and the creativity and determination of the Board of Directors and Executive management team, MSB is proud that the bank's ranking leaped by 159 places from 356th position in the previous assessment period to 197th position in the list of the 500 strongest banks in the Asia-Pacific region announced by The Asian Banker in the fourth quarter of 2022.

### Obligations according to the prescribed regime

Since its establishment, MSB has consistently fulfilled its tax obligations, contributed to the State budget, and acted positively for the development of the community and society.



### Green investment products and projects

In 2022, MSB experienced a transition in which loans to high-risk industries were reduced. At the same time, the bank focused to support customers in areas such as import-export, commerce, manufacturing, and other industries that were resilient after pandemic and particularly prioritise on customers with sustainable growth plans. To be more specific:

- Loan to production and distribution of electricity, energy and technology services, scientific and technological activities, administrative services, health education, information and communication saw a significant increase in proportion
- In 2022, MSB's total green credit balance was VND 5,478 billion, granted to 86 customers, of which the green industry sector was VND 92 billion and the renewable energy and clean energy sectors were VND 5,386 billion
- Also in 2022, MSB first raised USD 30 million in green financing, funded by Proparco. It is expected that this amount will be disbursed in 3 years for green projects, under the supervision of Proparco



Signing ceremony of green finance partnership between MSB and Proparco

### Digital transformation process at MSB - Growth driver for the period 2023-2027

MSB is in the process of gradually altering its internal governance processes, modernizing its infrastructure and information technology in order to better support the reduction of negative environmental impacts, and offering credit and payment services in sectors that are carbon-neutral. MSB is making a significant investment in digitalization which has since been renamed the Digital Factory (DF) of the bank, which is an essential component of the bank's overall business strategy.

Digital Factory (DF) was built with the ambition to lead the transformation of traditional processes into the customer journey to redesign a seamless and lean process; thereby shifting manual and paper work into a fully digitalized process, hence bringing the most convenient experience to users and making "digital transformation" gradually become the DNA of the bank.

Besides, DF was also the "brain" of "Agile@scale" model at MSB. This model allowed MSB to continuously build - adjust - test new products and shorten the time to promote to market. In other words, MSB's solution is created from the needs and experience of customers instead of simply meeting "common demand" of the market.

Typical digital products in 2022: the digitalization of the unsecured loan process in retail and corporate banking; the digitization of the credit card opening process; the digitization of the insurance buying process; the digitization of other internal operations and credit approval processes.

In the year 2022, thanks to the advantages offered by digital technology, MSB was able to expand its customer base to nearly 1 million customers. The rate of customer growth through digital channels accounted for 54% of the retail banking segment and 19% of the small and medium enterprise (SME) customers. Compared to 2021, the number of online banking transactions was 80,168,382, representing a 59.6% increase.

In addition to the customer aspect, MSB deployed digitization and simplified internal processes to reduce paperwork by 50% in 2023. It was on the basis of this premise that MSB decided to implement a new way that would enable workers to operate remotely in the near future. The goal of this method was to improve efficiency, enhance readiness to respond, and adapt flexibly to any and all conditions and surroundings.

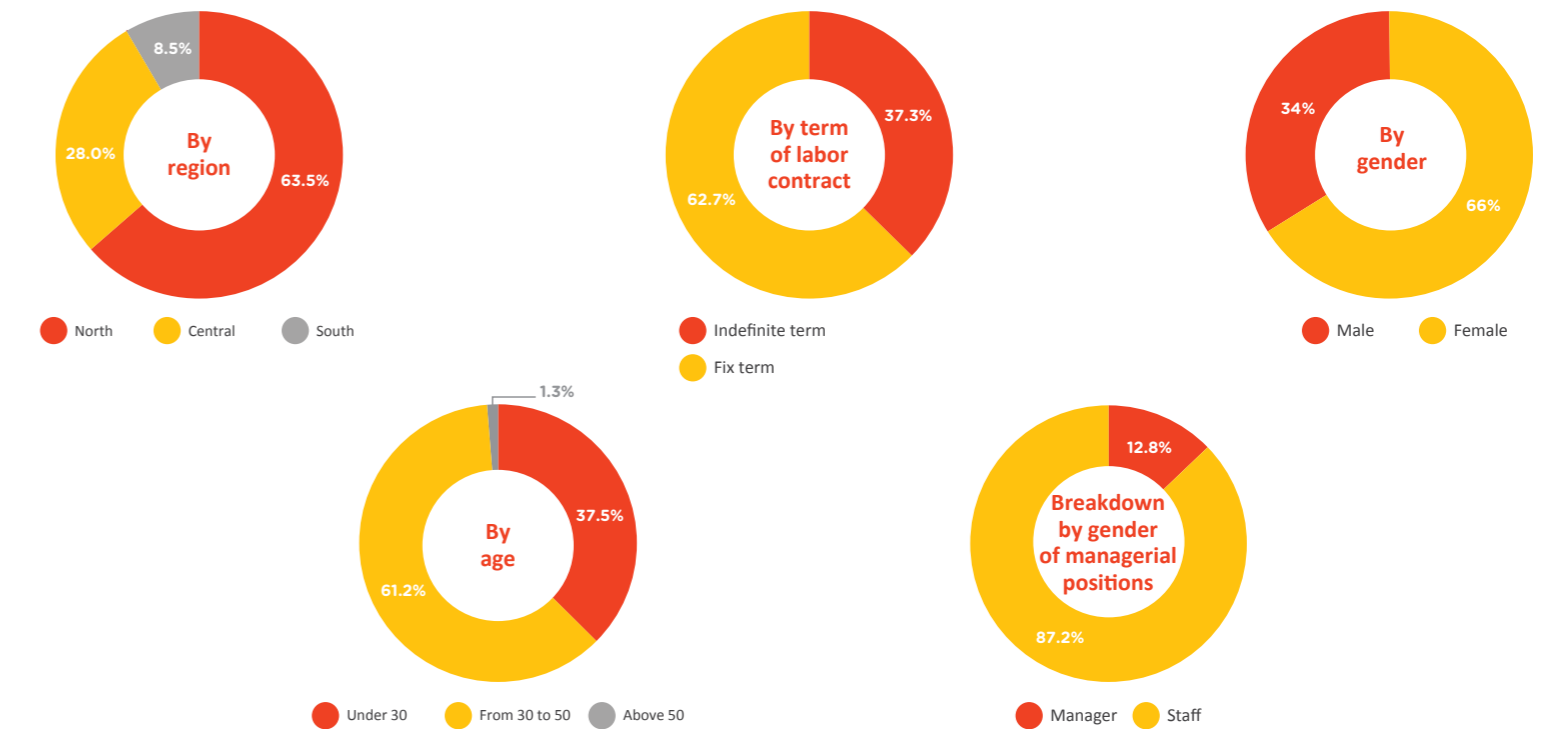
### SOCIETY - THE KEY FACTOR THAT ESTABLISHES MSB'S POSITION

#### Human resources - the key factor that establishes MSB's position in the industry

##### Recruitment and talent acquisition

MSB is steadfast in its belief that its human resources are its most significant asset and that they play a critical part in determining the Bank's trajectory of success and expansion. Because of this, the MSB has consistently placed significant emphasis on the recruitment and development of competent personnel. Recruitment is rigorously regulated in accordance with the specific demands of the job and the workload. Additionally, in order to maximize both production and efficiency, it is of the utmost importance to make certain that personnel are adequately matched with positions that are ideal for them.

#### Personnel structure



#### Statistics on the number of newly hired and departing employees

	Less than 30	From 30 to 50	Over 50	Female	Male
New hires	1,030	1,223	10	1,403	860
<b>Total</b>	<b>2,263</b>			<b>2,263</b>	
Departing employees	478	818	8	820	484
<b>Total</b>	<b>1,304</b>			<b>1,304</b>	

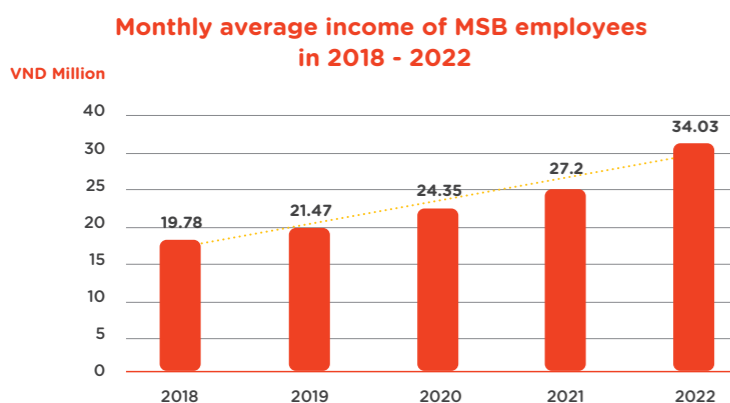
## Remuneration and benefits

### Salary and bonus

MSB places a high priority on providing its employees with health protection and benefits at all times. In addition to supporting policies that measure employee satisfaction at MSB, the Human Resources Department accumulates and disseminates vital data and statistics on an annual basis. These statistics and data include information on average salaries, new hires, and employees who are leaving the company. The Salary and Bonus Regulations dictate the amount of compensation that each and every Bank employee receives, and the Collective Labor Agreement stipulates the perks that they are entitled to receive. It is the decision of the Annual General Meeting of Shareholders that determines the level of compensation that is provided to the highest management level of MSB, which includes the Board of Directors and the Board of Supervisors.

Every year, MSB analyzes and evaluates market salaries and employee performance. One hundred percent of workers are periodically evaluated for their performance. This is followed by the implementation of wage increase policies that are in line with the bank's business strategy. These policies ensure that the bank complies with the legislation governing labor law, maintains uniformity throughout the bank, and maintains market competitiveness. In light of the fact that the standard minimum wage is determined by a level at the bank and is not currently split by region, the minimum wage that is paid by region is relatively high in comparison to the general level that is maintained in localities.

At MSB, 100% of employees are satisfied with their remuneration and benefits.



### Employee benefits

- Benefits: MSB ensures benefits for employees, including: Social insurance; Health insurance; Unemployment insurance; Health insurance; 24/24 Accident insurance; and Periodic health checks
- Allowances and rewards: Food, travel, and telephone support; Compensation in kind for health harm; bonuses based on annual work performance; Employee Stock Option Plan (ESOP). In 2022, MSB's Union

supported employees affected by the COVID-19 pandemic with a budget of more than VND 1.2 billion and also organized a post-COVID treatment consulting program to ensure the well-being of its employees while showing MSB's companionship with its personnel both in work and life

- Life benefits: Cultural - artistic - sports activities; annual vacation; birthday day off; gifts for employees' children on the occasion of Children's Day; Mid-Autumn Festival; Excellent Students; School Opening Ceremony. Furthermore, personnel of MSB shall be eligible for supplementary provisions, which is included paid leave on birthdays and seniority leave that has been extended by one day in comparison to the Labor Code. In year 2022, MSB's Union supported employees affected by the COVID-19 pandemic with a budget of more than VND 1.2 billion and also organized a post-COVID treatment consulting program to ensure the well-being of its employees while showing MSB's companionship with its personnel both in work and life. 2022 marked the first time MSB implemented and issued a "school day" benefit for employees whose children first went to elementary school. Employees could take half a day off to join their children on first school day
- Benefits for female workers: gifts for female employees on the occasion of International Women's Day, Vietnamese Women's Day; maternity allowance
- Timely support for workers comes from the Occupational Accident Insurance Fund, which is reduced by the State for businesses
- Parental leave: The MSB implements a parental leave policy for employees, both male and female, in accordance with the regulations governing the labor market. Additionally, the MSB implements incentive, benefits, health insurance, and various additional insurance policies. At the same time, employees continue to be evaluated for yearly emulation and periodic pay raises. Additionally, they are evaluated for work performance as the foundation for annual performance bonuses and other perks connected to their level of performance

261 employees were actually on parental leave in 2022, according to the official numbers. In this group, there are 22 male workers who are eligible for parental leave because their wives have given birth, and there are 239 female workers who are eligible for maternity leave. There were 135 female employees who had returned to work after taking maternity leave by the time the year 2022 came to a close on December 31. It is anticipated that the remaining female workers will return to their jobs in the year 2023, following the expiration of their approved maternity leave. Employees who are on maternity leave are guaranteed full employment by MSB, and the company makes every effort to ensure that they are able to return to their previous positions of employment after their absence is over.

### Occupational Health and Safety

MSB ensures that the bank fully fulfills its responsibilities for labor safety and minimizes the likelihood that workers will be harmed as a result of the bank's operations. The MSB consistently enhances its health and safety policies and working environment in order to ensure that employees can diligently contribute to the Bank's progress. MSB was awarded the 2022 Best Place to Work title by HR Asia. At MSB, we demonstrate adherence to the Labor Code of 2019 and the Law on Occupational Safety and Hygiene of 2015, as evidenced by our compliance with both of these laws. At the same time, we are putting in place routine maintenance schedules, infrastructure enhancements, and training courses focused on occupational safety and hygiene.

In 2022, MSB implemented the medical room model in its working facilities and started at the Hanoi headquarters.

### Occupational Safety and Hygiene Risk Identification at MSB:

Occupational safety and hygiene risks that may be encountered at MSB include: Fire, explosion - Traffic accident - Electric shock - Injury.

The MSB has not documented any accidents that occurred on the job, nor has it received any reports about the health and safety of office workers. In an effort to reduce the incidence of occupational diseases and improve the quality of life for its staff members, the Bank has instituted insurance plans and conducted regular health exams. Furthermore, the Bank has a management and human resources department that is actively engaged in addressing safety concerns and working conditions in a manner that is efficient, timely, and effective within the organization. Additionally, the improvement of hygienic safety networks and process systems is occurring on a daily basis.

### Training



MSB consistently places a high priority on employee and manager training in order to improve capabilities, performance, and managerial efficiency. In addition, the company strives to establish values, beliefs, and behavioral norms in its employees. For the purpose of catering to a wide range of

student profiles (basic/advanced, in-person/online), the training formats and the quality of the instructors within the organization are continuously improved and diversified.

### Principled values and behavioral standards

Under the Code of Conduct and Professional Ethical Standards that were issued by MSB in 2022, all activities carried out by officers and staff are subject to the regulations. The responsibilities that are established between MSB officers and workers, as well as the responsibilities that are owed to customers, partners, suppliers, and other stakeholders in MSB's activities, are governed by these regulations. The norms of professional ethics that MSB adheres to are in accordance with the laws and internal regulations of MSB; they respect the practices, rules, and commitments of the Associations in which MSB is a member; and they respect and comply with the obligations that are included in the agreements and contracts that MSB has engaged with its customers and partners.

### Training and communication on values, principles and behavioral standards

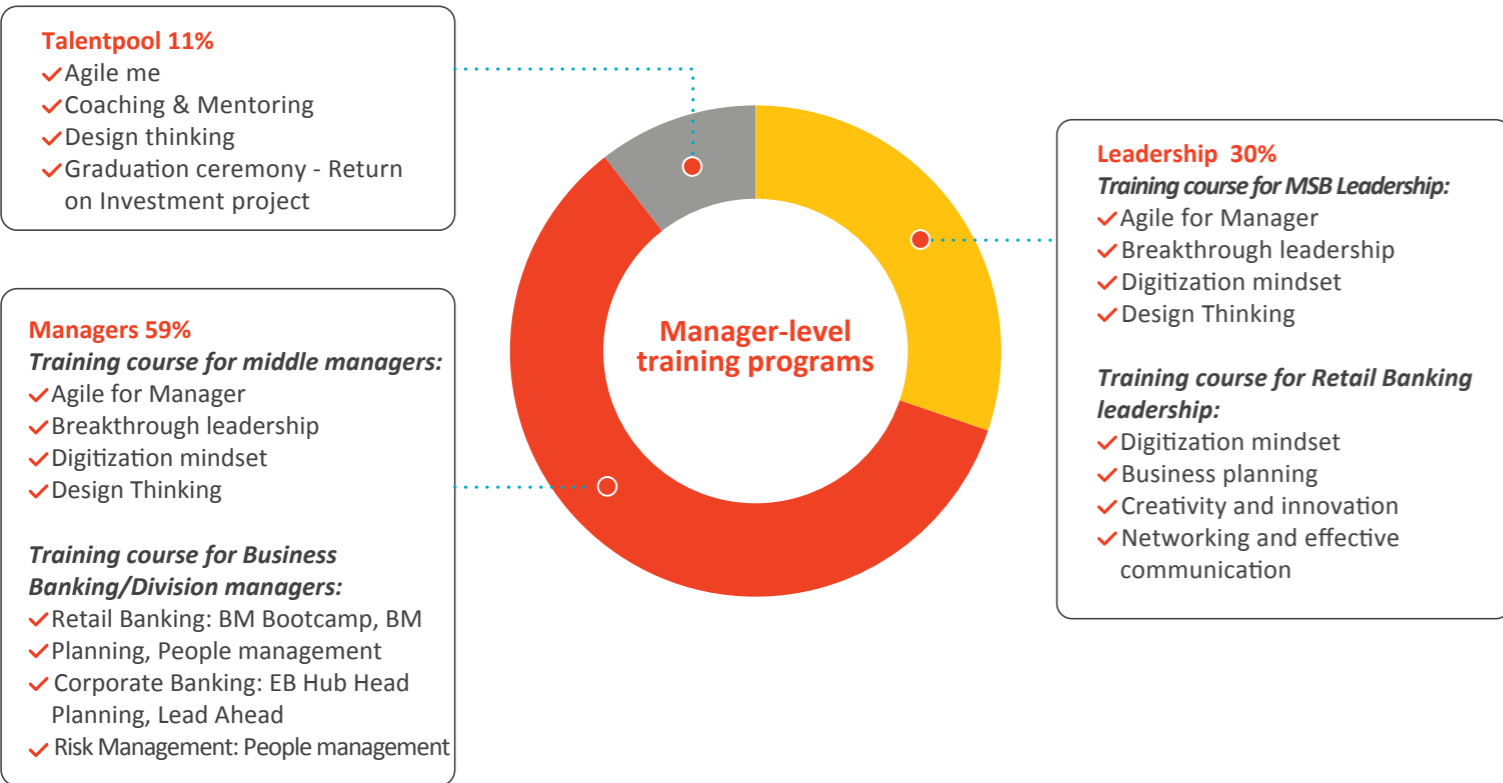
Employees who join MSB are provided with adequate information and are required to make a commitment to comply by the Code in addition to any other specific internal regulations and policies of the bank. Through the expansion of periodic training sessions and the installation of E-Learning training software, the Bank lays an emphasis on strengthening the compliance awareness of every individual. This is done in order to promote rapid access, comprehension, and adherence to the Code. All members of the Board of Directors, Executive Management team, Gov, managers, and employees are required to take compliance very seriously. Additionally, compliance monitoring is carried out on a regular basis through the operations of the Internal Control Department, which include periodic inspections. MSB officers and staff have gained a clear understanding of the code of conduct and professional ethics in the business as a result of officially utilizing and disseminating the Code extensively throughout the system. This has resulted in adherence to the regulations and has fostered a working environment that is safe, harmonious, and professional.

In addition, labor regulations and anti-corruption policies are revealed on the website of the Bank in order to enable the retrieval and capture of information for shareholders and investors.

Participant	Total training time	Average training time
Managers	49,634	39.68
Staff	175,273	20.18
<b>Total</b>	<b>224,906</b>	<b>22.91</b>

**Management level training programs**

Capacity development training programs were intensely deployed, with 06 training program series for 1,153 leaders and managers to attend.



**Training costs**

Training costs for employees increase every year; average training costs in 2022:

- Training costs per capita for staff and management levels:
  - + Employee level: **VND 65,751 per person**
  - + Management level: **VND 1,040,132 per person**
- Centralized training costs: **VND 7,369,642,668**
- Outsourced training costs: **VND 3,005,478,903**

**Working environment at MSB**

At MSB, we build a working environment in accordance with the following principles: Equality - Democracy - Transparency.

- Salary and benefits**  
Pay beyond the minimum wage mandated by regional and national labor codes and laws. Provide detailed payroll information and no salary cuts as a form of discipline
- Non-discrimination**  
Do not discriminate against employees based on gender, race, nationality, ethnicity, disability, religion, union activity, pregnancy or marital status, or outbreak of infectious disease
- No forced labor**  
Do not unreasonably restrict the physical and mental freedom of employees to force them to work against their free will. All work must be performed voluntarily; employee ID cards and related documents are not retained; and freedom of movement is guaranteed
- No child labor**  
It is against the law to employ a minor who is younger than 15 years old, and it is also against the law to ban individuals who are younger than 18 years old from job positions that pose a substantial risk to their health and safety. We will immediately take action in accordance with the method that has been specified in the event that we discover child labor (work performed by youths younger than 15 years old) after hiring
- Freedom of association**  
Ensure opportunities for communication between employees, freedom of association and three labor rights (right to solidarity, right to collective bargaining, right to collective action) and prohibits adverse treatment when employees exercise these rights. Respect the rights of workers to participate or not participate in these activities

**At MSB, we have had no cases of discriminatory treatment.**

MSB shall provide employees with information in advance regarding significant operational alterations that may have an effect on employees of the company. In order to guarantee that democratic values are adhered to and that there is transparency in the workplace, MSB compiles and makes the following information available to its employees:

- MSB's rules, regulations, and/or written notices and instructions with content related to the rights, obligations, and responsibilities of employees
- Collective labor agreement
- Labor conference resolution
- Bonus and welfare funds
- Grassroots democratic regulations in the workplace
- Deduction of union funds, insurance premiums
- Situation of emulation and rewards, settlement of complaints and denunciations

These Regulations and agreements ensure the implementation of the following principles:

*Goodwill, cooperation, honesty, equality, openness, and transparency - Respect for the legitimate rights and interests of employers and employees - Adherence to legal and social ethics.*

**Mechanisms for advice and report about ethic concerns**

At MSB, internal regulations for addressing complaints are designed in order to handle complaints from employees on issues, unhappiness, inadequacies, or any other type of dissatisfaction that employees may experience in the workplace. The Compliance Control Department receives reports in the form of letters, emails, or in person. Additionally, the Labor Union, which is an employee representative organization, is the conduit via which reports are transmitted. MSB is committed to guarantee the confidentiality and identity of employees who report misbehavior, as well as in barring retribution against employees who report violations or signs of violations. These issues are addressed in an appropriate manner, and MSB is committed to ensuring that these concerns are addressed.

Complaint resolution must adhere to a set of shared criteria, which include objectivity, carefulness, timeliness, problem analysis, determination of the root cause, identification of solutions, and information security.

*In 2022, the MSB did not record any reports regarding officers and employees violating the rules of professional ethics.*

### MSB cultural development activities

MSB aspires to build a strong corporate culture focusing on core values of Responsibility - Listening - Respect – Innovation - Efficiency.

In the strategic period of 2018 - 2022, MSB made some transformative leaps from business direction to management and operations under steady digitization. In the coming years, MSB will also develop a digital culture to be leaner in its activities in which competency training, improved experience and increased engagement of employees will be the success factors.

Accordingly, MSB also needs to develop a strong corporate culture to leverage its efficient and sustainable growth. MSB needs to find out proper motto, methodology and tools to cultivate the culture and sustain it as a strong identity for the bank in the long run.

Activities geared toward cultural development are being implemented as a result of positive improvements and the strategic foundation of MSB. The majority of the senior and critical staff are self-assured, committed, and willing to evolve and take on new responsibilities. There is a need for MSB to appoint a specialized team with specific tasks on corporate culture in order to foster innovation, adaptability, and transformation attitude throughout the organization. This is because a strong digital transformation can pose problems to the mindset and culture of the company.

It was on November 22, 2022 that MSB Board of Directors approved the decision to establish the Corporate Culture Department at MSB. This department is a dedicated unit that is responsible for implementing and growing the company's culture. In order to differentiate the bank from its competitors and gain a competitive advantage, this Department is burdened with the responsibility of constructing a basis for a sustainable corporate culture that holds its own identity.

*Aligned with MSB's strategy for the period of 2023 - 2027, Corporate Culture Department will develop a humanitarian and sustainable corporate culture. As a result, it will support digital development strategy, improve employee's experience, inspiration to develop a talented, visionary, aspiring team who take ownership of MSB's development strategy, and elevate employer brand.*

### MSB's interaction channel with stakeholders

#### MSB interaction with stakeholders in 2022

- Fully attended meetings, justify and contribute opinions upon the request of management authorities, ministries, departments, and partners
- Organize 1 Annual General Meeting of Shareholders
- Organized 04 business performance review meetings on a quarterly basis (including online meetings) with investors, securities companies, and investment funds
- Attended investor seminars held by Saigon Securities Company - SSI and Goldman Sachs
- Held meetings with shareholders, institutional investors and potential investors upon request
- Received information from investors and stakeholders via email: ir@msb.com.vn
- Set up contact center on top of other customer care channels, such as email, call center, direct consultancy to increase engagement with customers
- Carried out a customer satisfaction survey: Customer satisfaction level in 2022 for the Retail Banking segment was 90% and for the Corporate Banking segment was 77%

#### Social responsibility – community-oriented activities

Along with promoting economic development, MSB also spent a lot of resources and actively participated in corporate social responsibility programs taking place in 2022, in particular:

#### MSB donated VND 700 million to poor, near-poor people in Ha Tinh

Early 2022, MSB donated VND 700 million to poor, near-poor people in Ha Tinh, responding to the call of Ha Tinh Provincial Party Committee, to share, encourage and support people to have a warm and safe Lunar New Year amid Covid-19 epidemic.

#### MSB donated VND 500 million to "Our Fatherland border in March"

In March 2022, MSB donated VND 500 million to "Our Fatherland border in March" program organized by the Youth Union of the Ministry of Public Security to support the many philanthropic activities in A Luoi district, Thua Thien Hue province and Ngoc Hoi district, Kon Tum province. These activities included communicating about regulatory policies and laws; providing economic development model to households severely affected by the Covid-19 epidemic; donating computers, clean water purification, school equipment to ethnic minority students in border areas; donating generators, computers, Covid-19 prevention medical equipment to the commune public security, border guards, etc.

#### MSB donated VND 5 billion to support Tuyen Quang Province to eliminate temporary and poor quality houses

In May 2022, responding to the call of the Central Public Security Party Committee and the Ministry of Public Security, MSB donated VND 5 billion to support Tuyen Quang province with more resources to soon eliminate temporary and poor quality houses to ensure a stable and secure life.

#### MSB donated VND 5 billion to the Central Fund for Crime Prevention and Control

On June 24, 2022, MSB made a donation of five billion Vietnamese Dong (VND) to the Central Fund for Crime Prevention and Control. This donation was made in order to help to the fight against crime and to safeguard societal order and security. By providing help, MSB demonstrated that the bank was actively engaged in the upkeep of social security. It was also the responsibility of the bank to work with the authorities in order to "maintain political security, social order, people security, economic security, cyber security, and disciplined society," as stated in the Resolution of the 13th Congress Party. Cyber risk management is the top priority, especially in the 4.0 digital era, when cybercrime is becoming a top issue. This is especially true in the context of maintaining a secure and healthy society, as well as a healthy financial-banking business in particular.



Mr. Nguyen Hoang An – Vice Chairman of Board of Directors at MSB donated VND 5 billion to Central Fund for Crime Prevention

#### MSB donated VND 10 billion to the event of "Join hands for the poor"

On October 17, 2022, in response to the call of the Vietnam Fatherland Front Committee, MSB donated VND 10 billion to support social security program in the event of "Join hands for the poor" in 2022 toward the "For the poor" month. The donation is used to build 200 social houses in Dai Loc and Que Son districts in Quang

Nam province and Muong Lat district in Thanh Hoa province. This is a humanitarian gift that MSB wanted to present to the local people, reassuring and motivating them to strive better, just as the motto "Leave no one behind" of the program. The donation showed the bank's efforts in realizing the plan of the Party and Government on poverty reduction and country development.



MSB donated VND 10 billion to the program "For the poor" in 2022

#### MSB awarded 60 scholarships to poor students at Vung Ro school, Phu Yen province

Raising the motto of "Giving not just receiving", MSB's Retail Banking ran a philanthropic program at Vung Ro school, Dong Hoa town, Phu Yen province in which the bank gave 60 scholarships to poor students and orphans at the end of 2022. At the same time, the bank helped build a computer room and renovate restroom. We aimed to share the hardships and motivate the students on the journey to knowledge.



Retail Banking at Vung Ro school, Dong Hoa town, Phu Yen province

## Compliance at MSB

### Stakeholder privacy

- The mechanisms and rules pertaining to information security for customers, shareholders, and partners are always respected and complied with by MSB when it comes to information security policy. The Non-disclosure Agreements are executed with specific terms, also establish in great detail the classifications of information, procedures, and boundaries of information usage, among other things, for the parties to jointly enforce.
- The information management system for customers, shareholders (both depository registered and non-registered MSB shares), partners in business contracts, service rentals, supply... are significantly invested in.
- In order to mitigate the possible risk of loss, the bank has provided solutions and prevention plans for the risks of customer information leakage from the information security system. These risks include the risk of attacks from cyberspace, the risk of internal cyber security threats, damage from system security, and incidents related to the loss of customer data, which occurred throughout the year.
- In the last two years, MSB has invested significantly in the Core-banking system replacement project, Digital Factory project (which has been converted from the Digital Factory project to the Digital Transformation Division), the modification of IT infrastructure (Enterprise Architecture - EA) project, etc. to improve operational efficiency while ensuring the security and accuracy of related party information.

*In 2022, MSB did not record any loss related to customer, shareholder, and partner information leaks.*

### Transparency in information disclosure, marketing and labeling Transparency in the reporting system

Bank's financial statements are considered to be one of the most essential reports. MSB commits to achieving complete transparency throughout its reporting system. At the moment, one of the significant standards that a great number of financial institutions have been working toward implementing is the International Financial Reporting Standards (IFRS), as well as the risk management requirements determined by Basel III. The International Financial Reporting Standards (IFRS) 9 were published on July 24, 2014, and they were applicable for fiscal years beginning and after January 1, 2018. The creation and presentation of financial statements has undergone a significant alteration as a result of this transformation. Vietnamese banks will be able to effectively manage risks in accordance with international best practices, promote comparability, and improve the quality of information

disclosures as a result of the implementation of IFRS 9, which will pave the road for integration into the international capital market.

As of December 2022, MSB completed all the items of IFRS Project including the development and issuance of: (1) Expected Credit Loss (ECL) model under IFRS 9; (2) IFRS-based accounting policies; (3) IFRS-based financial statement preparation guidelines; (4) IFRS-based financial statement preparation process. MSB also completed the first IFRS-based financial statements for the year ended December 31, 2021, which will be audited by Ernst & Young Vietnam Co., Ltd.

In 2023 and beyond, MSB will continue to improve its operations in line with market practices, meet the requirements for preparing IFRS-based financial statements, and periodically prepare and audit IFRS-based financial statements. MSB has also adopted the GRI standard to implement the Sustainable Development Report 2022.

### Transparency in information disclosure

When it comes to the context of economic integration, transparency in information disclosure is a significant component that contributes to enhanced competitiveness. MSB is always proactive in the process of clearly disclosing information to the State Bank of Vietnam, State Securities Commission, Stock Exchange, bank's website <https://www.msb.com.vn>, and other electronic information sites regarding business performance, charter - regulations, changes in stocks and securities, results of shareholders' meetings, financial statements, and annual reports...

On January 30, 2023, MSB announced the 2022 Bank Governance Report to the State Securities Commission and Ho Chi Minh Stock Exchange. This report was also published on the bank's website at the link: <https://www.msb.com.vn/nha-dau-tu>.

### Principles of MSB promotion programs

For MSB, its marketing programs are carried out in a manner that is lawful, honest, public, and transparent. This is done in order to protect the legitimate rights and interests of customers and to avoid infringing upon the lawful rights and interests of other organizations and individuals.

In order for MSB to put its promotional activities into action, the program must either have been approved by the appropriate authorities or be a component of a marketing campaign that has been approved. The following are examples of competent levels: the Board of Directors, CEO, the General Directors of business banks, directors of divisions, and persons authorized by the competent levels stated above.

MSB marketing programs and activities ensure compliance:

- Compliance with relevant tax laws
- Comply with the law on competition and the policy on competition of the Bank
- Compliance with trade, advertising and consumer rights protection laws



### Brand protection

- MSB has been granted a trademark protection certificate in Vietnam and 5 Asian countries (Japan, China, Hong Kong, Thailand, Singapore)
- 2022: MSB performed trademark registration in the UK, Russia and the European Union

*In 2022, MSB had no violations regarding trademarks and product information disclosure.*

### 2023 plan for activities that enhance social factors

MSB always maintains the conviction that its human resources constitute its most valuable asset and play a pivotal role in shaping the Bank's successes and growth. Because of this, the MSB has consistently placed significant emphasis on the recruitment and development of personnel who are experienced and qualified.

In accordance with its mission statement, "For a more convenient life," and its vision statement, "The bank everyone wants to join and no one wants to leave," the objective of MSB is to become a "second home" for its workers by providing them with a working environment that is both friendly and professional, and to provide the highest value possible to its shareholders and investors. The corporate culture initiatives that MSB supports are designed to assist in the development of positive relationships between employees as well as a working environment that is professional, cohesive, and healthy. Every member of the MSB is driven to encourage creativity and innovation in order to improve the efficiency of their work. In addition, this encouragement presents a challenge for all employees of MSB, as it requires them to continually enhance their capabilities and sense of self-worth by the participation in learning events, to sharpen their knowledge, to learn how to catch up with the trend, and to fulfill the job requirements of the bank. Every single person at MSB is aware, with the backing of the highest level of leadership, that every single action we take should always be directed at creating more work motivation, assisting employees in clearly seeing the aims, purpose, and character of the work that they do. While this is happening, MSB will also be a prestigious partner in cooperation relations, serving the best interests of the community by organizing, participating in volunteer activities, and contributing to the development of a society that is more humanitarian.

## ENVIRONMENT – MSB SEEKS TO REDUCE DIRECT AND INDIRECT EMISSIONS

### Data on resources - energy - emissions in 2022

MSB is a business operating in the banking and finance sector, as a result, the operation of MSB does not cause significant environmental impacts. On the other hand, we acknowledge that any activity has certain impacts on the environment. MSB is consistently vigilant and seeks to identify solutions to minimize environmental impacts, find effective use, and save resources and energy.

2022 was the first year MSB built data on greenhouse gas emissions from its operations. The greenhouse gas report distinguishes three scopes of emissions that are currently used by systems around the world, including:

**Scope 1:** Direct emissions - emissions from sources at facilities owned or controlled by the bank.

**Scope 2:** Indirect emissions - emissions from purchased external power generation sources that are consumed or controlled by the bank during business operation.

**Scope 3:** Other indirect emissions of the bank, emissions from sources not owned or controlled by the bank.

The data for MSB's greenhouse gas emissions and energy consumption for the year 2022 are presented in the table below. Our inventory methodology adheres to the methodology of the Decree on Greenhouse Gas Emissions Inventory, the Guidelines of the Intergovernmental Panel on Climate Change (IPCC), and the Guidelines for National Greenhouse Gas Inventories (2006). Additionally, it is in accordance with the Bilan Carbone Tool Version 6, which was developed by the French Environment and Energy Management Agency. On the basis of the greenhouse gas report, the MSB has a tendency to formulate regulations to manage greenhouse gas emission sources and to continue efforts to reduce the bank's own greenhouse gas emissions. This is done not only to lessen the impact that the bank's business operations have on the environment, but also to minimize the risks associated with volatility and reputation.

		Unit	Volume
Energy	Electricity	kWh/year	14,673,434
Resources	Water	M <sup>3</sup> /year	185,377
Emissions	Hazardous waste	Kg/year	363
	Domestic waste	Kg/year	119,594
	Water discharge	M <sup>3</sup> /year	185,377
<b>Total CO<sub>2</sub> emissions</b>		<b>Tons of CO<sub>2eq</sub>/year</b>	<b>14,786.85</b>
Scope 1	Fuel consumption for operation of bank's vehicles	Tons of CO <sub>2eq</sub> /year	161.2
Scope 2	From electrical equipment	Tons of CO <sub>2eq</sub> /year	12,410.8
Scope 3	Total scope 3 emission	Tons of CO <sub>2eq</sub> /year	2,214.65
	Use of vehicles for business trips	Tons of CO <sub>2eq</sub> /year	846.05
	Use of staff transportation	Tons of CO <sub>2eq</sub> /year	1,059.2
	From waste generation	Tons of CO <sub>2eq</sub> /year	5.1
	From wastewater generation	Tons of CO <sub>2eq</sub> /year	186.8
	From production materials	Tons of CO <sub>2eq</sub> /year	117.5

#### Energy, wastewater, and emissions reduction solutions

		Solution
Energy	Electricity	<ul style="list-style-type: none"> <li>Supervise and implement a maintenance schedule for machinery, equipment, and air conditioning systems; collaborate with the supplier on a plan to clean the equipment periodically, thereby extending its durability and saving energy consumption;</li> <li>Monitor the use of electrical and air conditioning equipment appropriately according to usage needs. Daily inspections and regulations mandate that electrical appliances be turned off outside of business hours</li> </ul>
	Fuel/Gasoline	<ul style="list-style-type: none"> <li>Use internal newsletters and internal communication activities to raise each individual's awareness of energy-saving uses such as electricity and gasoline</li> </ul>
Emissions	Hazardous waste	<ul style="list-style-type: none"> <li>Promote communication among personnel regarding the need to reduce the quantity of printing paper used in document printing</li> <li>Reuse stationery including pens and plastic office supplies</li> </ul>
	Scrap	<ul style="list-style-type: none"> <li>Strengthen measures to control pollution sources by regularly monitoring, inspecting, and maintaining machinery and equipment, and constantly improving and upgrading treatment systems to achieve higher goals</li> </ul>
	Domestic waste	<ul style="list-style-type: none"> <li>Building cleaning staff collect, sort, and process trash according to standards at the end of daily working hours</li> </ul>
	Water discharge	<ul style="list-style-type: none"> <li>Install a wastewater discharge measurement system to regulate the amount of wastewater that buildings release into the environment</li> <li>Launch water-saving movements in offices throughout the system</li> </ul>
	Emissions	<ul style="list-style-type: none"> <li>Promote online meetings and work exchanges using information technology systems to reduce travel and reduce gas emissions into the environment</li> </ul>



#### Programs to raise awareness about energy saving, wastewater and waste reduction at MSB

In 2022, in addition to actions under the Environmental Protection Scheme, MSB also implemented some additional solutions at MSB's workplace, including:

- Implementing the used battery collection program for employees
- Replacing single-use plastic cups and bottles by glass cups and bottles
- Implementing internal communication programs to raise awareness on efficient use of energy, natural resources, and environmental protection in daily activities and public procurement agencies; actively responding to the movements of "green lifestyle" and "green consumption"

#### Compliance with environmental laws

Protecting the environment is an important issue that is of primary concern and priority to society as a whole. The BoD and BoM and all employees of MSB unanimously join hands in environmental protection activities.

In 2022, MSB did not record any cases related to violations of environmental laws and regulations. In 2022, MSB implemented activities aimed at saving energy, saving water, minimizing waste, and building green - clean - beautiful offices, such as:

- Actively communicate about efficient energy use such as: saving water, turning off electrical equipment after working hours, etc
  - Plastic waste reduction communication: reduce plastic bag uses, use canvas bags, use personal cups, etc
  - Deploy programs and utilities to develop the Paperless Office project
- Maintain the 5S program to create a comfortable, efficient, and safe working environment.

#### The 2023 plan for improvement of environmental factors

MSB has affirmed its desire to accompany the country in its pursuit of sustainable development. In the upcoming time, MSB will actively implement projects to support sustainable development in partnership with international partners. This will be done in order to align the bank's operational and business processes with ESG international standards. In 2023, MSB will concentrate on finding solutions that will reduce the negative effects on the environment, discover efficient uses, and conserve resources and energy. Moreover, MSB will continue its efforts to cultivate a Vietnam that is more environmentally sustainable and progressive. This will help the country get closer to the standards of global development while simultaneously safeguarding the traditional human values of the Vietnamese people.

(\*) Introduction and call for employees' participation in the Environmental Protection Program: Radio Link: <https://bit.ly/3jflMz>, Media articles about calling for power savings: KOL article link: <https://bit.ly/3Wxj8Gt>, Intranet post Link: <https://bit.ly/3YCxYr>, Media articles calling for water savings: Intranet: <https://bit.ly/3BVD1Pv>, KOL: <https://bit.ly/3jrCCHS>, Radio Link: <https://bit.ly/3jflMz>, Media articles on waste reduction: Intranet: <https://bit.ly/3GbONi6>, KOL: <https://bit.ly/3F5QVTA>, Radio Link: <https://bit.ly/3jflMz>, Media articles about working environment improvement: Intranet Link: <https://bit.ly/3WQysh0>, Radio Link: <https://bit.ly/3jflMz>

## GRI CONTENT INDEX

Standard No.	GRI standard title	2022 Sustainable Development Report	Page
<b>GRI 102</b>	<b>General Disclosure</b>		
GRI 102-1	Name of the organization	✓	12
GRI 102-2	Activities, brands, products, and services	✓	13
GRI 102-3	Location of headquarters	✓	12
GRI 102-4	Location of operations	✓	12
GRI 102-5	Ownership and legal form	✓	12
GRI 102-6	Markets served	✓	12
GRI 102-7	Scale of the organization	✓	12
GRI 102-8	Information on employees and other workers	✓	35
GRI 102-9	Supply chain	X	–
GRI 102-10	Significant changes to the organization and its supply chain	X	–
GRI 102-11	Precautionary Principle or approach	✓	22-25
GRI 102-12	External initiatives	X	–
GRI 102-13	Membership of associations	X	–
GRI 102-14	Statement from senior decision-maker	✓	7
GRI 102-15	Key impacts, risks, and opportunities	✓	22
GRI 102-16	Values, principles, standards, and norms of behavior	✓	9
GRI 102-17	Mechanisms for advice and concerns about ethics	✓	39
GRI 102-18	Governance structure	✓	14-15, 22-23
GRI 102-19	Delegating authority	✓	14-15, 22-23
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	✓	22-23
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	✓	28-30
GRI 102-22	Composition of the highest governance body and its committees	✓	15, 23
GRI 102-23	Chair of the highest governance body	✓	15
GRI 102-24	Nominating and selecting the highest governance body	✓	15
GRI 102-25	Conflicts of interest	X	–
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	✓	22
GRI 102-27	Collective knowledge of highest governance body	X	–
GRI 102-28	Evaluating the highest governance body's performance	X	–
GRI 102-29	Identifying and managing economic, environmental, and social impacts	X	–
GRI 102-30	Effectiveness of risk management processes	X	–
GRI 102-31	Review of economic, environmental, and social topics	X	–
GRI 102-32	Highest governance body's role in sustainability reporting	X	–
GRI 102-33	Communicating critical concerns	X	–

Standard No.	GRI standard title	2022 Sustainable Development Report	Page
GRI 102-34	Nature and total number of critical concerns	X	–
GRI 102-35	Remuneration policies	✓	36
GRI 102-36	Process for determining remuneration	X	–
GRI 102-37	Stakeholders' involvement in remuneration	X	–
GRI 102-38	Annual total compensation ratio	X	–
GRI 102-39	Percentage increase in annual total compensation ratio	X	–
GRI 102-40	List of stakeholder groups	✓	25
GRI 102-41	Collective bargaining agreements	✓	39
GRI 102-42	Identifying and selecting stakeholders	✓	25
GRI 102-43	Approach to stakeholder engagement	✓	28-30
GRI 102-44	Key topics and concerns raised	X	–
GRI 102-45	Entities included in the consolidated financial statements	✓	9
GRI 102-46	Defining report content and topic Boundaries	X	–
GRI 102-47	List of material topics	X	–
GRI 102-48	Restatements of information	X	–
GRI 102-49	Changes in reporting	X	–
GRI 102-50	Reporting period	✓	9
GRI 102-51	Date of most recent report	✓	9
GRI 102-52	Reporting cycle	✓	9
GRI 102-53	Contact point for questions regarding the report	✓	9
GRI 102-54	Claims of reporting in accordance with the GRI Standards	✓	9
GRI 102-55	GRI content index	✓	48-51
GRI 102-56	External Assurance	X	–
<b>GRI 103</b>	<b>Management Approach</b>		
GRI 103-1	Explanation of the material topic and its Boundary	X	–
GRI 103-2	The management approach and its components	✓	15-22
GRI 103-3	Evaluation of the management approach	✓	22
<b>GRI 201</b>	<b>Economic performance</b>		
GRI 201-1	Direct economic value generated and distributed	✓	32-34
GRI 201-2	Financial implications and other risks and opportunities due to climate change	X	–
GRI 201-3	Defined benefit plan obligations and other retirement plans	✓	36-37
GRI 201-4	Financial assistance received from government	X	–
<b>GRI 202</b>	<b>Market Presence</b>		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	✓	36



Standard No.	GRI standard title	2022 Sustainable Development Report	Page
GRI 202-2	Proportion of senior management hired from the local community	X	–
<b>GRI 203</b>	<b>Indirect Economic Impacts</b>		
GRI 203-1	Infrastructure investments and services supported	✓	40-41
GRI 203-2	Significant indirect economic impacts	✓	40-41
<b>GRI 204</b>	<b>Procurement Practices</b>		
GRI 204-1	Proportion of spending on local suppliers	X	–
<b>GRI 205</b>	<b>Anti-corruption</b>		
GRI 205-1	Operations assessed for risks related to corruption	✓	31-32
GRI 205-2	Communication and training about anti-corruption policies and procedures	✓	31-32
GRI 205-3	Confirmed incidents of corruption and actions taken	✓	32
<b>GRI 206</b>	<b>Anti-competitive Behavior</b>		
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	X	–
<b>GRI 301</b>	<b>Materials</b>		
GRI 301-1	Materials used by weight or volume	X	–
GRI 301-1	Recycled input materials used	X	–
GRI 301-3	Reclaimed products and their packaging materials	X	–
<b>GRI 302</b>	<b>Energy</b>		
GRI 302-1	Energy consumption within the organization	✓	44
GRI 302-2	Energy consumption outside of the organization	X	–
GRI 302-3	Energy intensity	X	–
GRI 302-4	Reduction of energy consumption	X	–
GRI 302-5	Reduction in energy requirements of products and services	X	–
<b>GRI 303</b>	<b>Water</b>		
GRI 303-1	Interactions with water as a shared resource	X	–
GRI 303-2	Management of water discharge-related impacts	X	–
GRI 303-3	Water withdrawal	X	–
GRI 303-4	Water discharge	✓	44
GRI 303-5	Water consumption	✓	44
<b>GRI 304</b>	<b>Biodiversity</b>		
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	X	–
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	X	–
GRI 304-3	Habitats protected or restored	X	–
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	X	–

Standard No.	GRI standard title	2022 Sustainable Development Report	Page
<b>GRI 305</b>	<b>Emissions</b>		
GRI 305-1	Direct (Scope 1) GHG emissions	✓	44
GRI 305-2	Energy indirect (Scope 2) GHG emissions	✓	44
GRI 305-3	Other indirect (Scope 3) GHG emissions	✓	44
GRI 305-4	GHG emissions intensity	X	–
GRI 305-5	Reduction of GHG emissions	X	–
GRI 305-6	Emissions of ozone-depleting substances (ODS)	X	–
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	X	–
<b>GRI 306</b>	<b>Waste</b>		
GRI 306-1	Waste generation and significant waste-related impacts	X	–
GRI 306-2	Management of significant waste-related impacts	X	–
GRI 306-3	Waste generated	✓	44
GRI 306-4	Waste diverted from disposal	X	–
GRI 306-5	Waste directed to disposal	✓	44
<b>GRI 307</b>	<b>Environmental compliance</b>		
GRI 307-1	Non-compliance with environmental laws and regulations	✓	45
<b>GRI 308</b>	<b>Supplier Environmental Assessment</b>		
GRI 308-1	New suppliers that were screened using environmental criteria	✓	31
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	X	–
<b>GRI 401</b>	<b>Employment</b>		
GRI 401-1	New employee hires and employee turnover	✓	35
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓	36
GRI 401-3	Parental leave	✓	36
<b>GRI 402</b>	<b>Labor/Management Relations</b>		
GRI 402-1	Minimum notice periods regarding operational changes	✓	39
<b>GRI 403</b>	<b>Occupational Health and Safety</b>		
GRI 403-1	Occupational health and safety management system	✓	37
GRI 403-2	Hazard identification, risk assessment, and incident investigation	✓	37
GRI 403-3	Occupational health services	✓	37
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	✓	37
GRI 403-5	Worker training on occupational health and safety	✓	37
GRI 403-6	Promotion of worker health	✓	37
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	✓	37

Standard No.	GRI standard title	2022 Sustainable Development Report	Page
GRI 403-8	Workers covered by an occupational health and safety management system	✓	37
GRI 403-9	Work-related injuries	✓	37
GRI 403-10	Work-related ill health	✓	37
<b>GRI 404</b>	<b>Training and Education</b>		
GRI 404-1	Average hours of training per year per employee	✓	37
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	✓	37
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	✓	37
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>		
GRI 405-1	Diversity of governance bodies and employees	✓	35
GRI 405-2	Ratio of basic salary and remuneration of women to men	X	–
<b>GRI 406</b>	<b>Non-discrimination</b>		
GRI 406-1	Incidents of discrimination and corrective actions taken	✓	39
<b>GRI 407</b>	<b>Freedom of Association and Collective Bargaining</b>		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	✓	39
<b>GRI 408</b>	<b>Child labor</b>		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	✓	39
<b>GRI 409</b>	<b>Forced or Compulsory Labor</b>		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	✓	39
<b>GRI 410</b>	<b>Security Practices</b>		
GRI 410-1	Security personnel trained in human rights policies or procedures	X	–
<b>GRI 411</b>	<b>Rights of Indigenous Peoples</b>		
GRI 411-1	Incidents of violations involving rights of indigenous peoples	X	–
<b>GRI 412</b>	<b>Human Rights Assessment</b>		
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	X	–
GRI 412-2	Employee training on human rights policies or procedures	X	–
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	X	–
<b>GRI 413</b>	<b>Local Communities</b>		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	X	–
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	X	–
<b>GRI 414</b>	<b>Supplier Social Assessment</b>		
GRI 414-1	New suppliers that were screened using social criteria	✓	31

Standard No.	GRI standard title	2022 Sustainable Development Report	Page
GR 414-2	Negative social impacts in the supply chain and actions taken	X	–
<b>GRI 415</b>	<b>Public Policy</b>		
GRI 415-1	Political contributions	X	–
<b>GRI 416</b>	<b>Customer Health and Safety</b>		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	X	–
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	X	–
<b>GRI 417</b>	<b>Marketing and Labeling</b>		
GRI 417-1	Requirements for product and service information and labeling	✓	42
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	✓	42
GRI 417-3	Incidents of non-compliance concerning marketing communications	✓	42
<b>GRI 418</b>	<b>Customer Privacy</b>		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	✓	42
<b>GRI 419</b>	<b>Socio-economic Compliance</b>		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	✓	31





**VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK**  
54A Nguyen Chi Thanh, Lang Thuong Ward, Dong Da District, Hanoi.  
Tel: (024) 3771 8989 • Fax: (024) 3771 8899

---

[www.msb.com.vn](http://www.msb.com.vn)