



SENIOR LEADERSHIP STATEMENT

2023

VietNam Holding Limited

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About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a Senior Leadership Statement Report.

The Senior Leadership Statement module was introduced in the 2021 Reporting Framework to provide an overview of a signatory's approach and achievements in responsible investment.

The Senior Leadership Statement helps to raise, within the most senior levels of a signatory organisation, awareness of and accountability for PRI reporting, and responsible investment more broadly. It encourages senior leadership to use PRI reporting for decision making and tracking progress on responsible investment. External stakeholders can also use the statement and reported information to learn about signatories' responsible investment beliefs.

This Senior Leadership Statement Report is an export of signatories' responses in the Senior Leadership Statement section of the 2023 Reporting Framework.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

Table of Contents

Indicator	Page
SLS 1	4

SENIOR LEADERSHIP STATEMENT

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Vietnam Holding (the Fund) invests exclusively in Vietnam.

As with other developing countries, rapid urbanisation and industrialisation have had detrimental impacts on the environment and natural assets in Vietnam. Climate change, urban solid waste, and air pollution are key environmental issues that the Vietnamese government is keen to address over the next few years. In fact, 2021 and 2022 saw significant changes in Vietnam's green policy commitments. The country's ambitious net-zero targets for 2050 could be seen as a milestone, paving a way for the transformational interventions needed to address climate change challenges, including the development of cleaner transportation and energy systems.

Although ESG awareness in Vietnam might started later than in the US and Europe, the awareness and application of practices have been growing steadily in recent years. According to PwC Vietnam's ESG Readiness report 2022, about 80% of Vietnam's companies have made related commitments or plan to do so in the next two to four years. The top reason cited for pursuing ESG is 'brand image and reputation' (82 %), while the second most cited reason is 'to remain competitive' (68%). Another report by KPMG Vietnam, Vietnam's Customer Experience Excellence 2022, shows that up to 93% of customers in Vietnam are willing to pay more for ESG-integrated products and services. The report shows Vietnamese consumers are becoming conscious of lifestyle choices and aware of the effects of their consumption. These survey results indicate that interest in ESG has been growing widely.

As a long-term, responsible investor focusing wholly on Vietnam's equity market, ESG integration has always been at the heart of our investment philosophy to encourage the Vietnamese business community and government on their journey. The Fund became an early signatory to the United Nations' Principles on Responsible Investing in 2009.

Vietnam Holding, as a signatory of the UNPRI, is committed to the six Principles for Responsible Investment and avoiding any investments which involve products and services with known negative effects. VNH's exclusion criteria involves extensive due diligence of controversial business practices including any businesses dealing in tobacco, firearms, distilled alcohol, and gambling, among others. During the screening process, our investment criteria also exclude companies that have activities engaged in pollution, child labour, bribery, or other damaging business practices. Our approach to ESG integration is based on the following principles:

- Investors not only have the power but also a responsibility as stewards to drive and help create change.
- ESG research can provide unique insights not available in pure fundamental approaches.
- ESG integration leads to better-informed investment decisions.
- Active ownership, advocacy, and engagement on ESG issues can reduce the risk of value destruction.

Our ESG Management System is a customised set of policies, procedures, tools and reporting criteria designed to identify, assess, manage and disclose information on ESG matters. We use this to help us both choose the right risks and take advantage of the opportunities that they present. Furthermore, in considering the activities of portfolio companies, we seek to ensure that our decisions lead to more positive impacts. The ESG Management System has been developed by our Investment Manager to:

- integrate ESG issues into every step of the investment process: initial screening, due diligence, investment decision making and monitoring;
- provide a framework for monitoring and reporting on ESG aspects to stakeholders; and
- work in partnership with our portfolio companies to help them identify and implement ESG opportunities, creating sustainable enhancement to their overall financial performance.

The Company assigns a high priority to the engagement mandate entrusted by shareholders; the Company Engagement Programme, which focuses on improving a portfolio company's financial performance and emphasising the necessity to systematically implement ESG factors for investee companies. By providing knowledge on specific issues, the investment team supports companies in financial and ESG aspects. It contributes to positive change, influencing positive steps towards improving sustainability policies, practices, and performance. Furthermore, the engagement programme helps our Company in its decision-making process.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

With our goal to "do more, measure more and report more", we have made substantial progress for the past one year in our ESG journey. Our PRI Transparency Report for 2021 received five-star scores, and our very first climate-risk assessment report was featured in the Asia Investor Group on Climate Change (AIGCC)'s Report on Net-zero investment in Asia (4th edition). We also supported to organize a very successful inaugural ESG Investment Conference in Vietnam as a gold sponsor and keynote speaker on 31st May 2023. Our Investment Manager has been very active in company engagement to improve ESG practices of investee companies and bring the ones with good practices to the spotlight. The Investment Manager has also developed a rigorous ESG rating system that can be used for both company assessment and engagement.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

To advance our commitment to responsible investment, we have identified key areas that we need to continue to progress in the next year:

- ESG integration: Continuously improving the quality of our in-house ESG research with a more holistic assessment framework and ESG rating by companies, with reference to specific industry and sector guidelines;
- Company engagement: Continue to make progress in our engagement with companies on ESG topics, tracking their achievements and initiating collaborative engagement with other investors; and
- Advocating the adoption of ESG standards and best practices among the Vietnamese business community, with a strong focus on improving corporate governance, ESG reporting and identifying appropriate decarbonisation strategies

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Vu Quang Thinh

Position

Authorized Representative

Organisation's Name

VietNam Holding Limited

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'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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