



**DHG PHARMA**  
*For a more beautiful and healthier life*

**SUSTAINABLE  
DEVELOPMENT  
REPORT**  
**2015**





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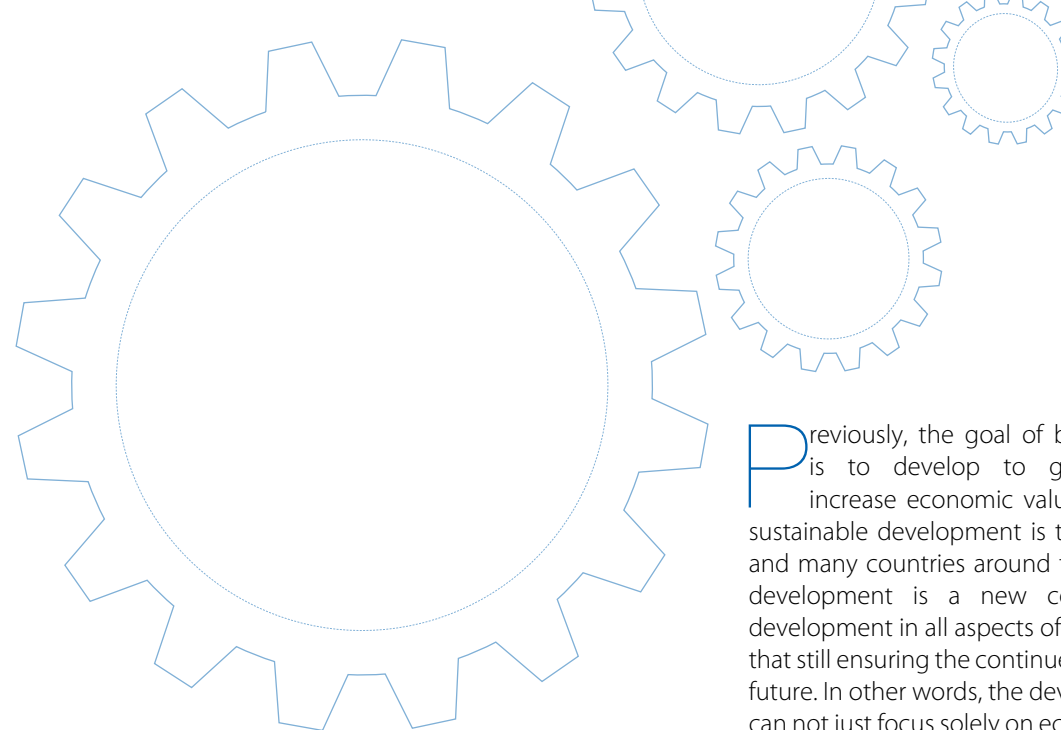
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## MESSAGE FROM DHG PHARMA



Previously, the goal of business organizations is to develop to generate profits and increase economic value. In modern society, sustainable development is the goal of businesses and many countries around the world. Sustainable development is a new concept defining the development in all aspects of contemporary society that still ensuring the continued development in the future. In other words, the development of mankind can not just focus solely on economic development, but also is responsible to the essential needs of society and the impact on ecological environment.

To achieve the objective of sustainable development and the execution of international commitments, the Government of Vietnam has issued the orientation on sustainable development strategy Vietnam in 2011-2020 according to Decision No. 432/QĐ-TTg 12/04/2012 of the Prime Minister.

DHG realized the importance of sustainable values and target which in line with the national and society targets, DHG has developed a vision "for a better and healthier life" as the guideline for all activities of the Company. The core value of "Quality, safety and effectiveness"; "Knowledge, creativity"; "Responsibility, cooperation, compensation"; "Cultural Identity," "Mutual prosperity with partners"; "Outstanding differentiation", "benefits for community" are commitments to be honored and implemented.

After 40 years of continuous development, in 2015, DHG facing a critical turning point, the crucial moment to focus on improving internal resources and restructuring of the management system and improving corporate governance... to be consistent with the market trends, with the growing scale of the Company, to create strong momentum for development. Although the business results achieved in 2015 did not meet targets, DHG has built the foundation for the future in improving of regulations/procedures to enhance institutional capacity;

restructuring the product portfolio by concentrating on producing the effective products; complete the GMP-WHO Betalactam plant; restructuring of the distribution system of professional and efficient; improve the framework for capacity building to prepare for future leaders of the Company, especially for the senior positions of the Company; fulfill appropriate responsibilities with employees, environmental solutions and with the community.

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**Sustainable development will continue to be the main target and is the prerequisite criteria in all production and business activities of DHG for a more beautiful and healthier life.**

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At the same time, DHG also has built long-term development strategy 2016 - 2020. Accordingly, in addition to the strategic objectives of economic development, risk management, DHG also targets social development and the environment. DHG represents not only a reputable pharmaceutical companies and brand, high market share, operate efficiently, and having financial transparency but also a humane and cultural icon in contributing to society with high quality products, voluntary actions, cultural beauty, and codes of conduct for the stakeholders with the solutions and initiatives for energy-saving and protecting the environment.

With the determination and persistence on the sustainable development models of which DHG has been developing, we believe that with the efforts of all staff, the trust and support of shareholders, customers and the stakeholders, DHG will continue the successful implementation of sustainable development strategies 2016-2020.

General Manager  
**PHAM THI VIET NGA**





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## INTRODUCTION

Company's name: **DHG PHARMACEUTICAL JOINT-STOCK COMPANY**

Abbreviated name: DHG Pharma

Stock ticker: **DHG**

Head office: 288 Bis Nguyen Van Cu Str., An Hoa Ward, Ninh Kieu Dist., Can Tho City, Vietnam

Charter capital: 871,643,300,000 VND

Owner's equity: 2,521,236,027,240 VND (at 31/12/2015)

Telephone: (8471) 03 891 433

Fax: (8471) 03 895 209

Email: [dhgpharma@dhgpharma.com.vn](mailto:dhgpharma@dhgpharma.com.vn)

Website: [www.dhgpharma.com.vn](http://www.dhgpharma.com.vn)

Certificate of business registration and tax code: 1800156801



# Vision

FOR A MORE BEAUTIFUL AND HEALTHIER LIFE.



# Mission

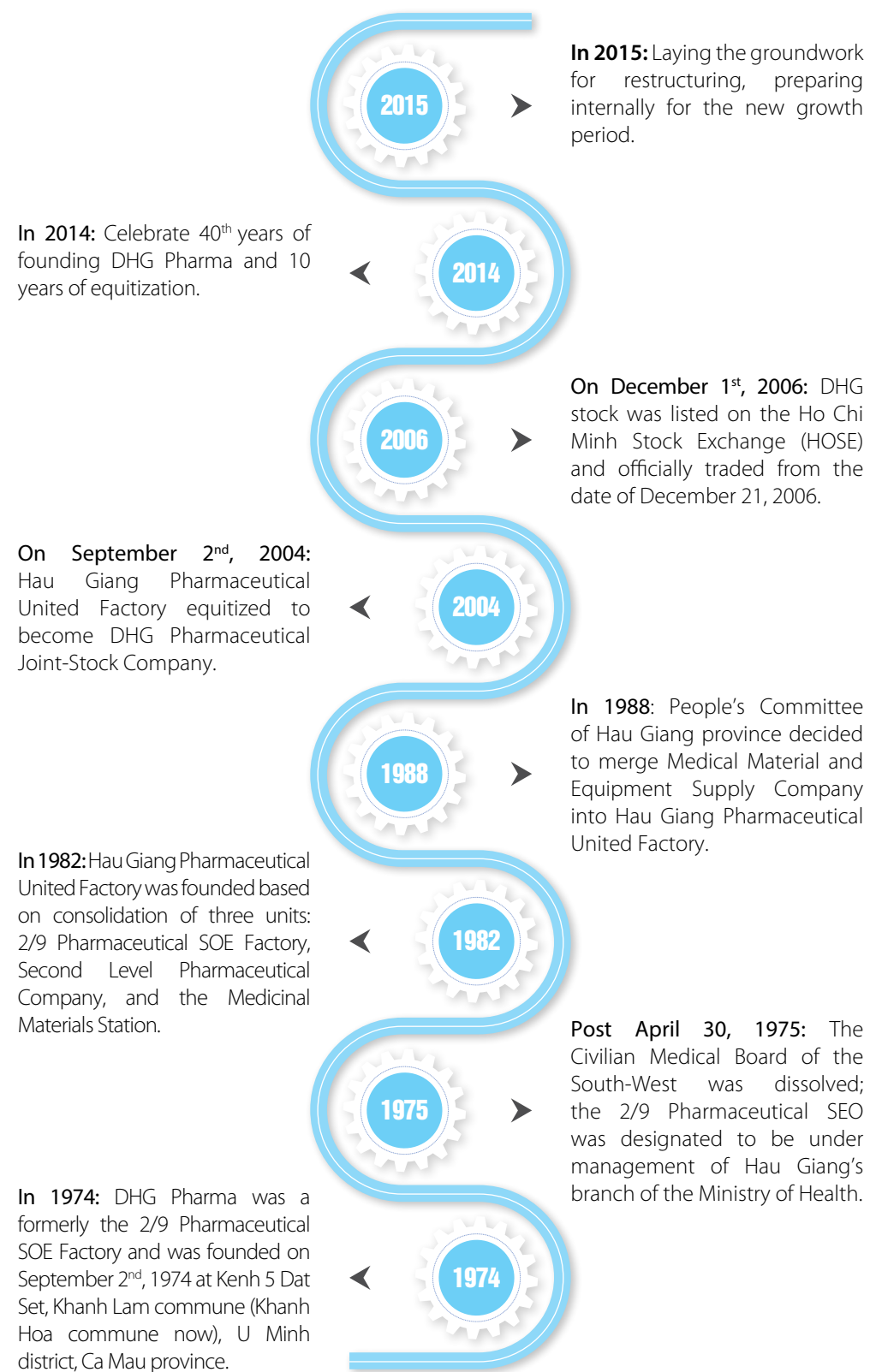
DHG PHARMA ALWAYS PROVIDES HIGH QUALITY PRODUCTS AND SERVICES TO SATISFY THE ASPIRATION FOR A MORE BEAUTIFUL AND HEALTHIER LIFE.

# Core values

- 1 Quality, safety, effectiveness targeted as our highest commitments.
- 2 Knowledge and creativity served as our foundation for development.
- 3 Responsibility, cooperation, and promotion prioritized in our motto of action.
- 4 DHG Pharma identity features taken as our pride.
- 5 Mutual prosperity with partners established as our long-term goal.
- 6 Outstanding differentiation employed as our strength in competitions.
- 7 Benefits for the community centered upon at the start of all activities..



## HISTORY OF FOUNDATION AND DEVELOPMENT



## DISTINGUISHED AND SPOTLIGHT

### AWARDS 2015



1996

**LABOR HERO FROM 1991 - 1995**

1998

**FIRST-CLASS LABOR MEDAL**

2010

**SECOND-CLASS INDEPENDENCE MEDAL**

TOP **50** OF VIETNAM'S  
MOST EFFECTIVE COMPANIES

TOP **10**  
BEST ANNUAL REPORTS

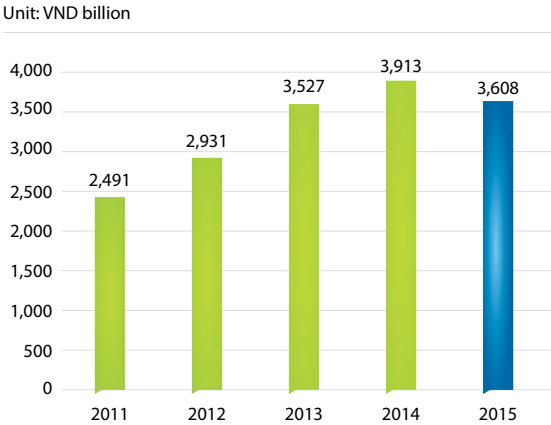
TOP **50** COMPANIES  
WITH SUSTAINABLE GROWTH  
FROM 2011 - 2014

- » Voted Vietnamese High-Quality Goods by consumers for the 20<sup>th</sup> consecutive years
- » Among Top 50 of Vietnam's most effective companies held by Vietnam Investment Review magazine for 4<sup>th</sup> consecutive years
- » Top 10 best annual reports as voted by the Stock Exchange and the Securities Investment Magazine for 7<sup>th</sup> consecutive years.
- » Top 50 of Vietnam listed companies voted by Forbes for 2<sup>nd</sup> consecutive years
- » Top 50 Companies with Sustainable Growth from 2011 - 2014 as voted by the Vietnam Investment Review magazine
- » Reputable exporter of 2014
- » Top Brand in 2015 as awarded by Global (Hapacol, Naturenz, NattoEnzym)

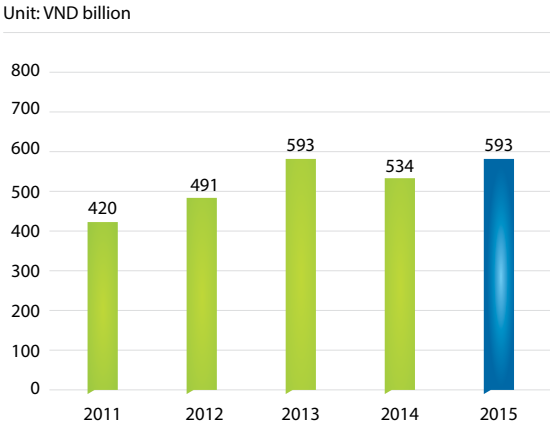


# KEY FIGURES OF DHG PHARMA

## Net sales of 2011 - 2015

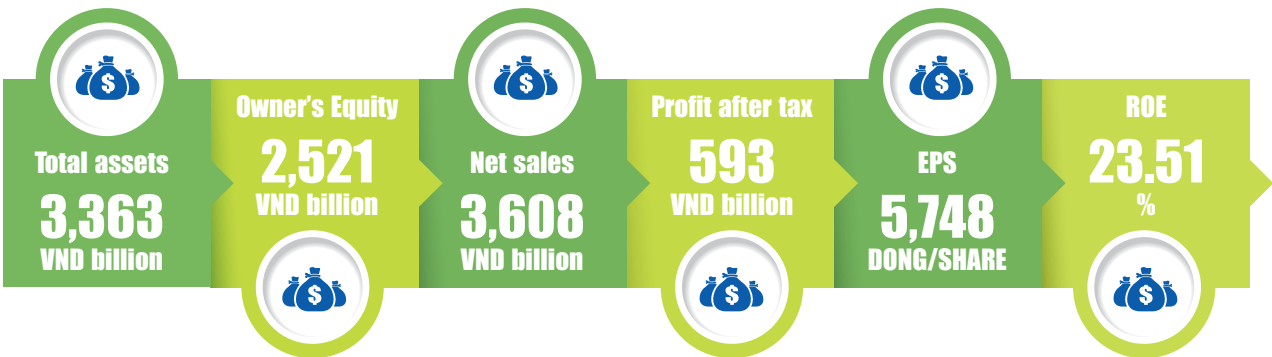


## Profit after Tax of 2011 - 2015



## Consolidated business results and basic financial figures in 2015

No.	Figures	Unit	2015
1.	Total assets at 31/12/2015	VND billion	3,363
2.	Owner's Equity at 31/12/2015	VND billion	2,521
3.	Net sales	VND billion	3,608
4.	Profit before tax	VND billion	701
5.	Profit after tax	VND billion	593
6.	Profit after tax of shareholders of parent company	VND billion	589
7.	EPS (Earnings per share)	Dong	5,748
8.	ROS (Profit after tax/Net sales)	%	16.43
9.	ROA (Profit after tax/Total assets)	%	17.62
10.	ROE (Profit after tax/Equity)	%	23.51



# BUSINESS LINES

## Primary business line

DHG currently has 279 product registration numbers in Vietnam. DHG divided the product portfolio by treatment functions into 10 categories to manage and invest in branding for primary brands.

## List of 10 categories:

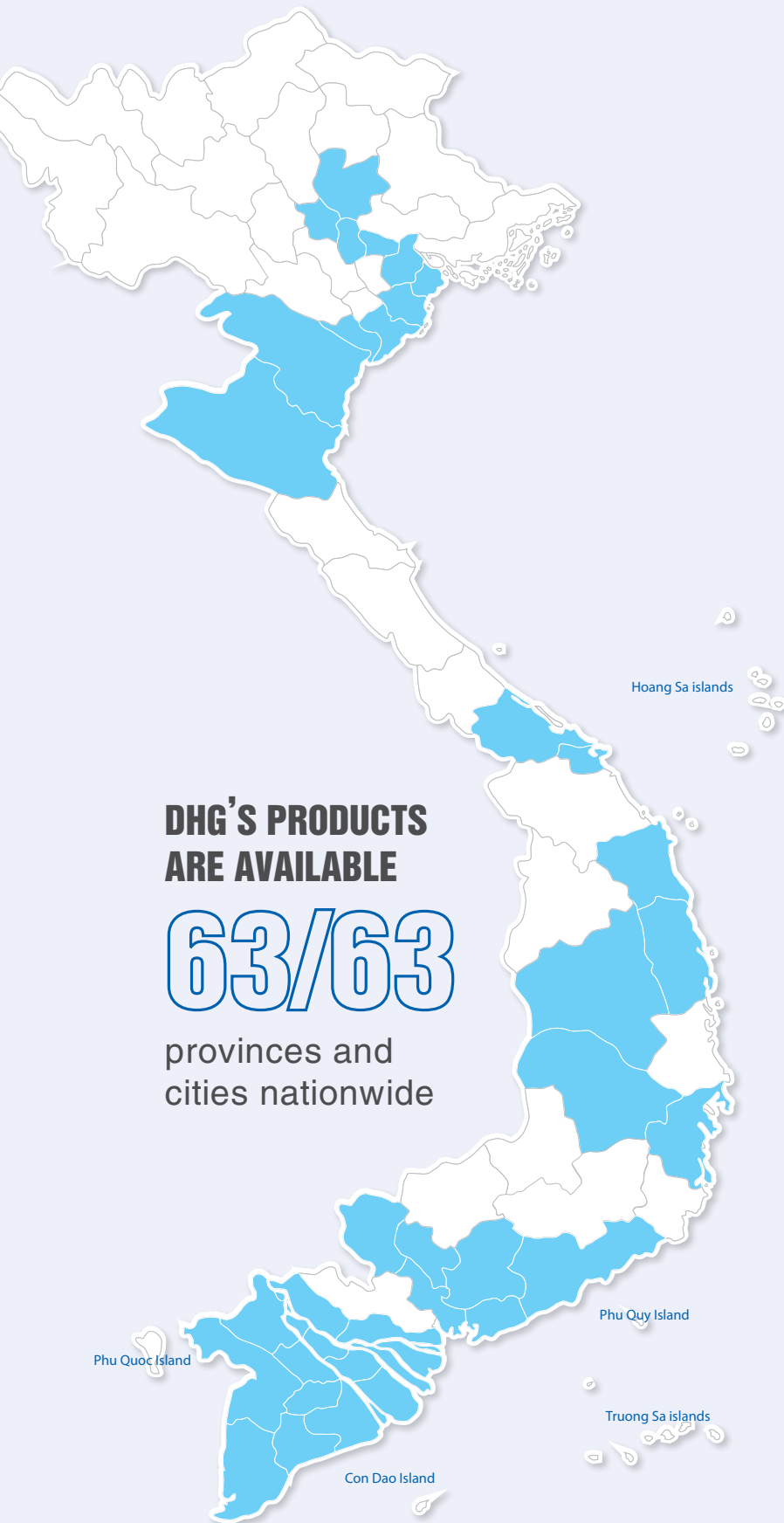


## 9 brands with over 50% of total sales of DHG's in-house products

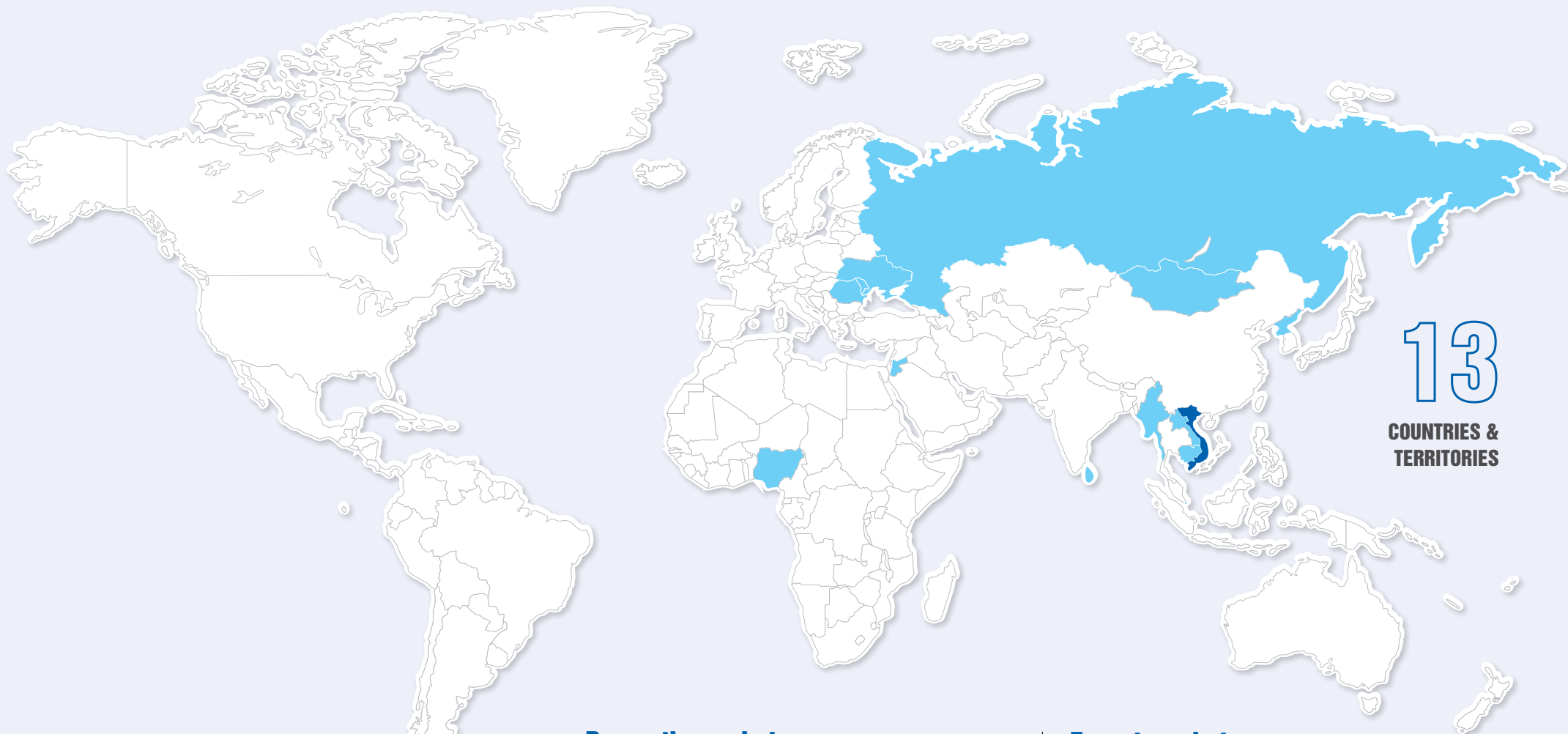




# MARKET REGIONS



**DHG'S PRODUCTS ARE AVAILABLE AT MOST HOSPITALS AND 63/63 PROVINCES AND CITIES NATIONWIDE. DHG'S DISTRIBUTION SYSTEM IS CONSIDERED THE LARGEST AND MOST EXTENSIVE ONE IN THE COUNTRY, WITH MORE THAN 1,200 SALESPeOPLE. THE COMPANY HAS MORE THAN 22,000 CUSTOMERS, IN WHICH MORE THAN HALF ARE LOYAL CLIENTS.**



## Domestic market

### According to the geographical area

The distribution market is mostly domestic (99%), within total sales of brands products: 32% in the North, 17% in the Central, 11% in the East, 8% in Ho Chi Minh City, 32% in the Mekong Delta.

### According to distribution channel

DHG is currently distributing via two major channels: ETC and OTC. DHG has focused more on the development of the OTC channel due to the active advantages in business and shorter collection period than the ETC channel.

## Export market

DHG's current export market includes 13 countries: Moldova, Ukraine, Myanmar, Russia, Mongolia, Cambodia, Nigeria, Laos, Singapore, Jordan, Sri Lanka, Romania, and Malaysia.

Main export products are the key products of the Company and herbal originated products with Vietnam natural herbal strength.

Export sales in 2015 achieved VND 26 billion (+19% y.o.y).



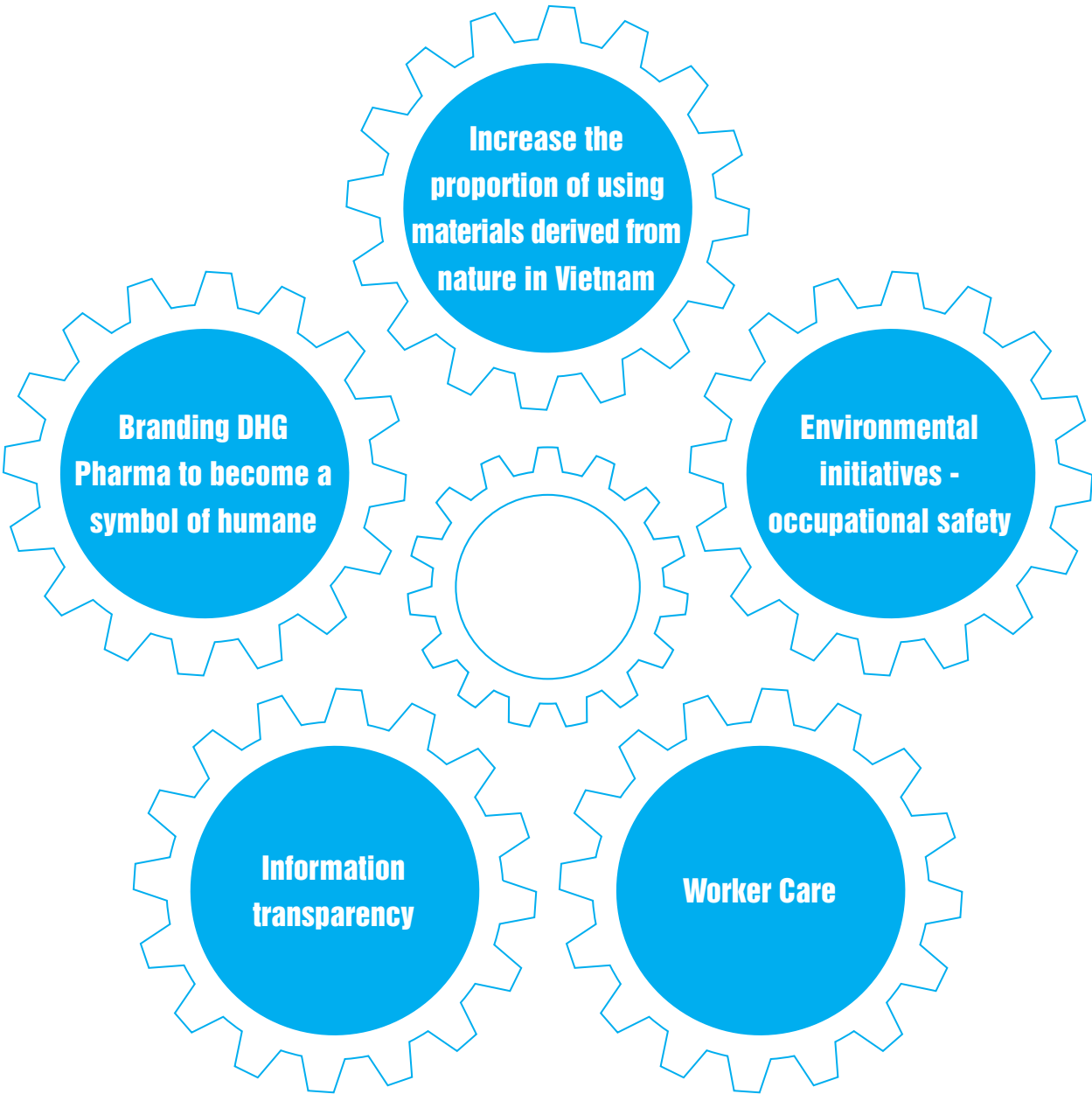


# GOALS AND DIRECTIONS

**DHG’S POSITIONING IMAGE FOR 2020 AS A “LEADING DOMESTIC PHARMACEUTICAL COMPANY IN VIETNAM, POSITIONED IN THE TOP 10 OF THE LISTED PHARMACEUTICAL COMPANIES IN SOUTH EAST ASIA WITH SALES REACHING USD300 MILLION IN 2020. DHG WILL BECOME A SYMBOL OF HUMANE IN CONTRIBUTING TO SOCIETY, AND ENHANCING THE QUALITY OF LIFE”.**

Besides the economic objectives presented in the Annual Report, to “have good environmental and social responsibility (CSR) and optimize the benefits for all stakeholders” is 1 in 7 goals of DHG’s strategy for the period of 2016 - 2020 and the future years.

## DHG focuses on the following solutions



**Increase the proportion of using materials derived from nature in Vietnam (reduce the dependence on imported raw materials) to at least 10% to proactively manage materials and exchange rates.**

Increase the proportion of products with naturally sourced ingredients to build the value chain, thereby enhancing the quality of life for farmers from the medicinal planting regions.

### Environmental initiatives - occupational safety

- › Company activities are always associated with protecting the environment, saving raw materials, using machinery and equipment with clean technology.
- › Investments in medicinal plantations conform with GACP standards.
- › DHG Pharmaceutical Factory will be certified in accordance with ISO 14000 in 2017.
- › Ensure safety in production: compliance with labor safety rules; occupational safety training as planned; test, evaluate the effectiveness of training and worker’s awareness.

- › Strictly follow regulations on waste disposal.

### Worker Care

- › Maintain and improve the quality of the health care, lifestyle activities and programs for employees.
- › Provide training to improve professional skills to meet the needs of development.

### Information transparency

- › Quality of life for employees and their families are above the average level to those at the same industry, location, and social status.
- › Training of cultural identity and increase sense of community sharing.
- › Promoting innovations, efficiency savings and waste reduction.
- › Information disclosure on multiple media, communication channels: clear, transparent and honest.

- › Share strategies, plans and regularly update business results for shareholders, investors, sell-side analysts.

- › Build and strengthen consumer, investors, and media confidence, to build DHG Pharma’s image as a reliable and prestigious company.

### Branding DHG Pharma to become a symbol of humane through CSR projects.

- › Perform public relations to raise awareness of the pharmaceutical sector in the community, to change an ideology, help the community to have a more positive view of the pharmaceutical sector.
- › Establish community health fund.
- › Provide disease prevention knowledge, how-to use the product safely and effectively through the media (programs: Family Doctor, Medicine Seminar, Health Bridge,..) and Call Center.







**SUSTAINABLE DEVELOPMENT, ENHANCING GOVERNANCE**

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## COMPANY OPERATING MODEL



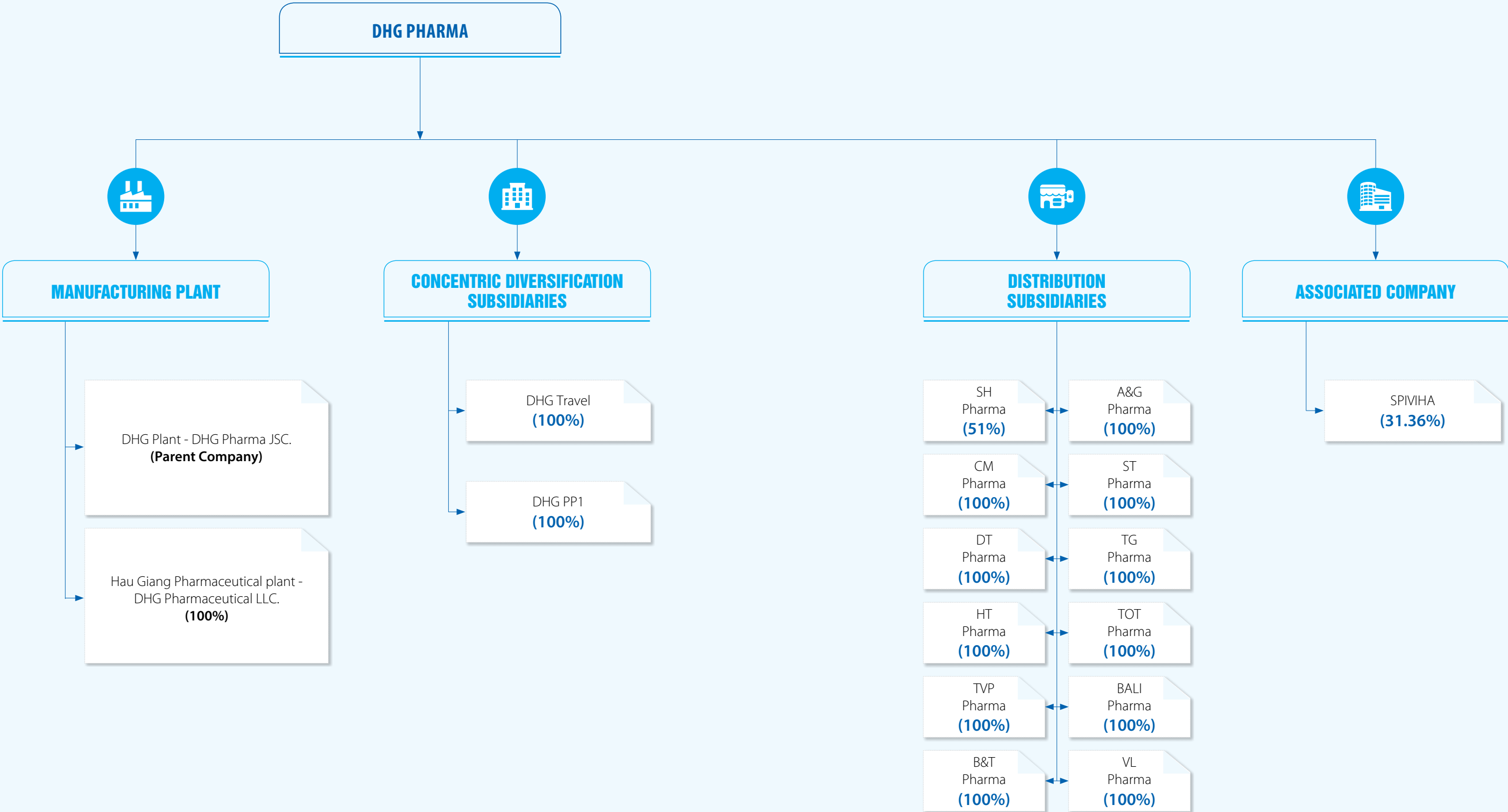
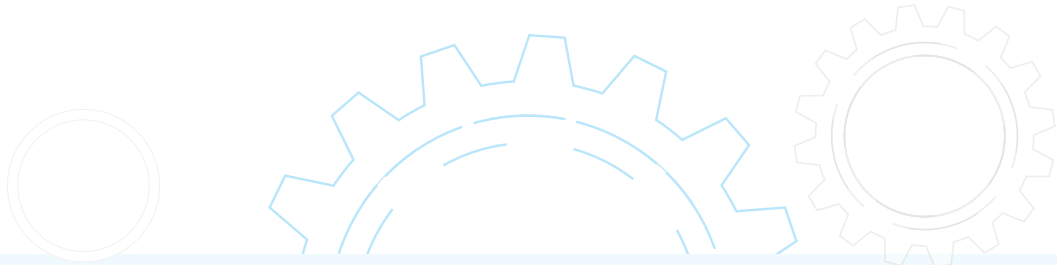
### Company operating model

As of 31 December 2015, the operating model of DHG Pharmaceutical Joint-Stock Company includes:

- » *Companies with pharmaceutical plant* including one under the Parent company - DHG Pharmaceutical Joint-stock Company (based in Can Tho city) and one under a wholly owned subsidiary of DHG - DHG Pharmaceutical Limited Company (based in Hau Giang province). 11 of which are 100% owned by DHG and one with 51% owned by DHG (SH Pharma).
- » *Concentric diversification subsidiaries with 100% owned by DHG* are DHG Travel (based in Can Tho city) and DHG PP1 (based in Hau Giang province).
- » *Joint-venture include one associated company*: Vinh Hao Spirulina Algae Corporation (SPIVHA) with 31.36% owned by DHG.
- » *Companies specializing in distribution*: 12 distribution subsidiaries in the Mekong Delta,



COMPANY  
**OPERATING MODEL** (Cont.)





COMPANY  
OPERATING MODEL (Cont.)

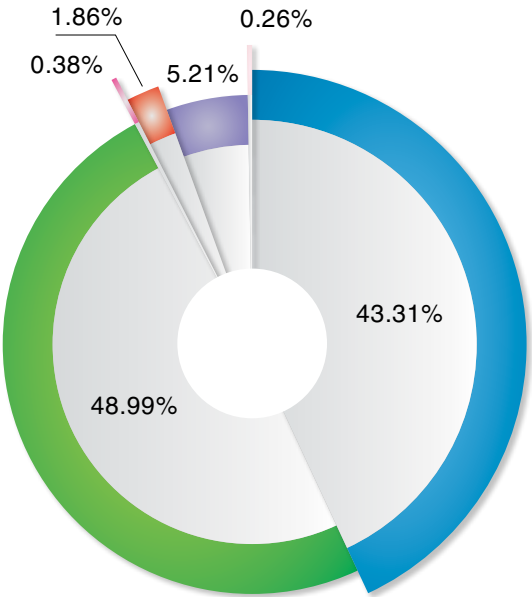
ORGANIZATIONAL STRUCTURE DIAGRAM



# SHAREHOLDER STRUCTURE

Shareholder Structures according to the list on 24/03/2016, DHG has 3,217 shareholders, in which:

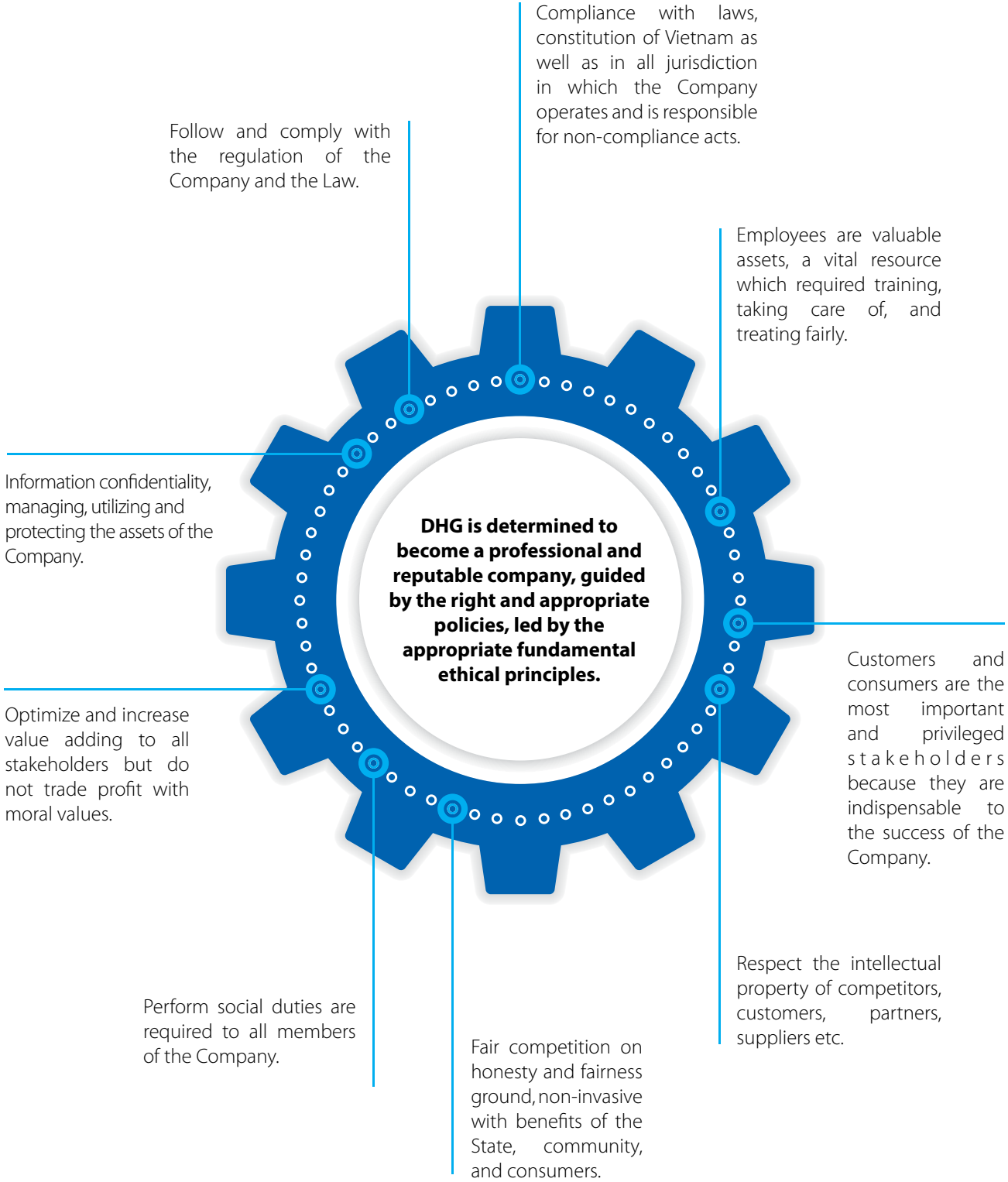
	Number of shareholders	Number of shares	% of Charter Capital
<b>Foreign</b>	<b>471</b>	<b>42,697,811</b>	<b>48.99%</b>
Individuals	368	845,100	0.97%
Institutions	103	41,852,711	48.02%
<b>Local</b>	<b>2,746</b>	<b>44,466,519</b>	<b>51.01%</b>
Individuals	2,677	5,024,247	5.76%
Institutions	69	39,442,272	45.25%
In which: SCIC	1	37,750,825	43.31%
<b>Total</b>	<b>3,217</b>	<b>87,164,330</b>	<b>100%</b>



SCIC	43.31%
Foreign shareholders	48.99%
Internal shareholders	0.38%
Employees	1.86%
External shareholders	5.21%
Treasury shares	0.26%

Source: list of shareholders dated 24/03/2016 of the Vietnam Securities Depository

# MORAL VALUES OF THE COMPANY





# PROCEDURES ON RECEIVING OPINIONS OF STAKEHOLDERS



**DHG PHARMA ESTABLISHED THAT THE RECEIVING INFORMATION AND FEEDBACKS FROM STAKEHOLDERS ARE ONE OF THE IMPORTANT FACTORS AFFECTING THOUGHTS, ACTIONS OF DHG PHARMA IN MANAGING AND OPERATING THE COMPANY’S ACTIVITIES.**

DHG Pharma has chosen important representatives from each group of stakeholders to consult on important sustainability development issues at DHG Pharma, including: the

important issues selected to report according to the overall interests from DHG Pharma and stakeholders. DHG Pharma established that the receiving information and feedbacks from stakeholders are one of the important factors affecting thoughts, actions of DHG Pharma in managing and operating the Company’s activities. During 2015, DHG Pharma has enhanced the relationship with stakeholders via direct meetings and improving communication channels such as: seminar, private discussion, newsletter, website, PR & media... to listen, understand and find solutions for important issues raised by stakeholders.



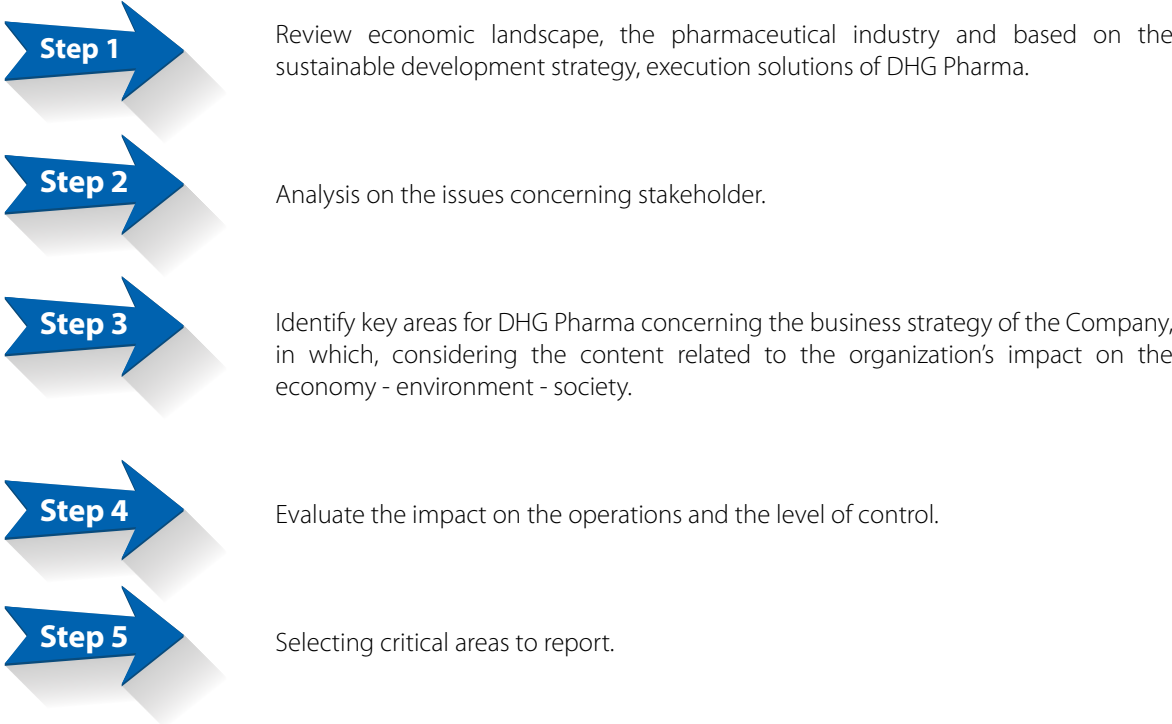
STAKEHOLDERS	INTERACTIVE AND FEEDBACKS CHANNELS
Customers, Consumers	<ul style="list-style-type: none"> <li>» Direct meeting, telephone, email</li> <li>» Seminar, private discussion</li> <li>» Customer care center, hotline of respective departments</li> <li>» DHG website</li> <li>» Facebook, forum</li> <li>» Consumer newsletter</li> <li>» VIP customers meeting to develop the Company strategy</li> <li>» Via “Household doctors”, “Healthcare connection” TV program</li> <li>» Through the contest: “if I am CEO of DHG Pharma”</li> </ul>
Shareholders, Investors	<ul style="list-style-type: none"> <li>» Quarterly meeting or on-demand</li> <li>» Telephone, email</li> <li>» General shareholder meeting</li> <li>» Investor newsletter</li> <li>» DHG website</li> <li>» Participate in shareholders seminars</li> </ul>
Employees	<ul style="list-style-type: none"> <li>» DHG website, telephone, email</li> <li>» Meet, communicate with the Company Union</li> <li>» Internal training programs</li> <li>» Internal activities: sports, year end review, music show, Company traditional day...</li> <li>» Facebook</li> <li>» Internal feedback mailbox, internal news portal</li> <li>» Through the contest: “if I am CEO of DHG Pharma”</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>» Direct meeting, telephone, email</li> <li>» DHG website</li> </ul>
Government, State authority	<ul style="list-style-type: none"> <li>» Participate in Health Care activities organized by government and State authority</li> <li>» Participate in related organization, union</li> </ul>
Media, newspaper	<ul style="list-style-type: none"> <li>» Press Meeting</li> <li>» Interview, press release</li> <li>» DHG website</li> <li>» Facebook, YouTube</li> <li>» DHG newsletter</li> </ul>

# ASSESSMENT OF CRITICAL AREAS

**THE SUSTAINABILITY DEVELOPMENT REPORT OF DHG PHARMA IS COMPLETED THROUGH THE ASSESSMENT OF CRITICAL AREAS WITH THE RELATIONSHIP BETWEEN ECONOMIC, SOCIAL AND ENVIRONMENTAL ASPECTS OF PRODUCTION OPERATIONS AND THE BUSINESS OF THE PARENT COMPANY, AS WELL AS MEETING THE REQUIREMENTS OF THE RELEVANT PARTIES TO ENSURE THE FOLLOWING KEY ISSUES:**

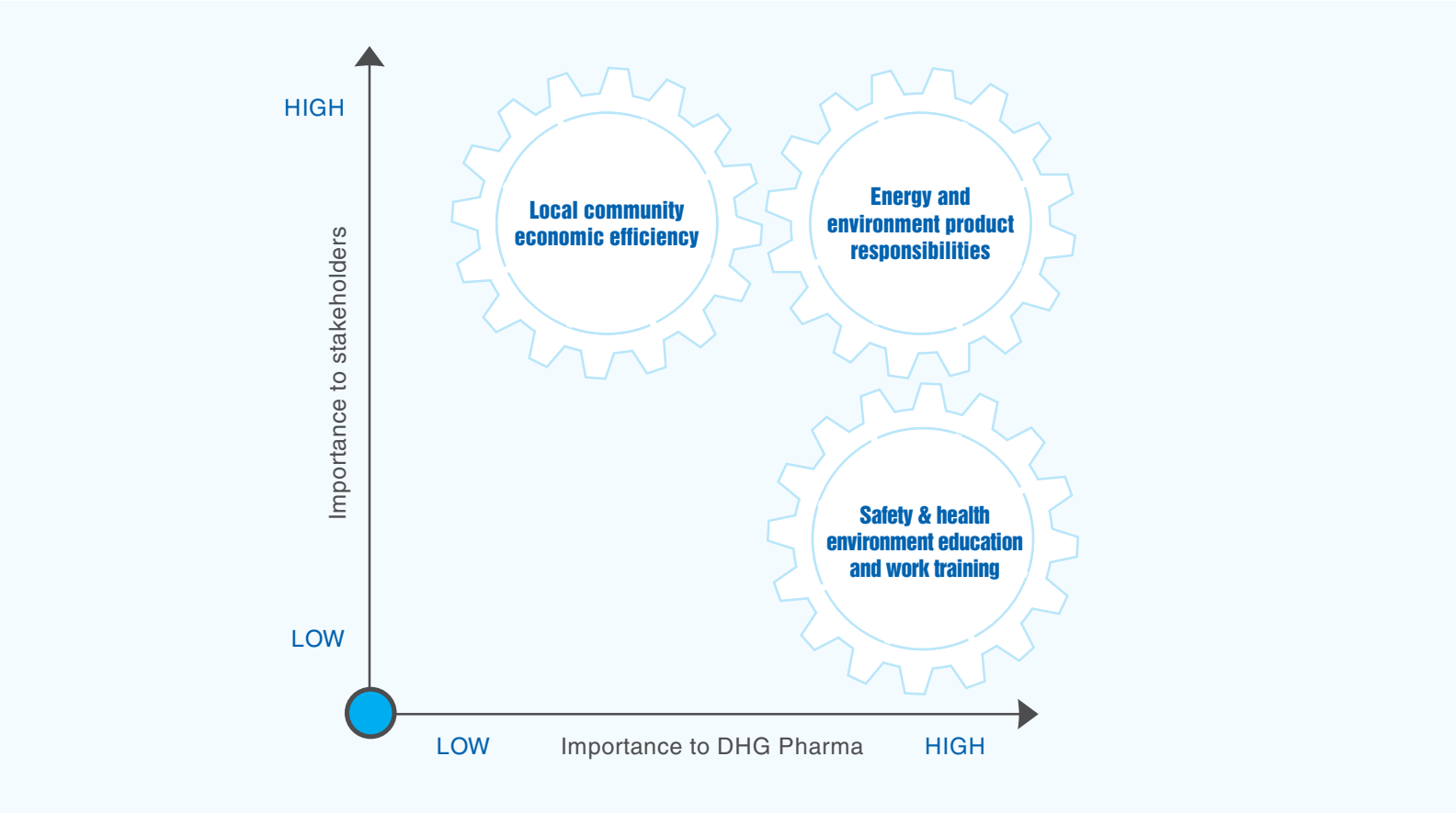
- » Continue to seek and expand the area of operation in the potential market at home and abroad, creating a strong growth prospect for the Company in the next growth cycle, while improving brand reputation and quality of service for customers.
- » Closely monitoring the evolution of the pharmaceutical industry to actively look for patterns, appropriate business solutions, benefits to customers and the society, creating new revenue streams for the Company.
- » Continuous research and development of new products to increase competitive edge to best served the customers demand.

## Procedures to evaluate critical areas and defining content of report includes the following steps



## The assessment was made based on the basis of

- 1** Evaluate review and expectations of the stakeholders through the requirements, the results of the work achieved and the feedback from production process and business activities of DHG, the supply of products to the market and the exchange of work with stakeholders.
- 2** Internal review of the unit, department, functioning board, the Board of Management through meetings, reports, building budgets in line with the outlook of each year.
- 3** Refer to the assessment from monitoring reports of State agencies through periodic and unscheduled inspections.
- 4** Refer to the overall assessment from the customer and consulting organizations during the process of working with DHG.
- 5** Refer to the forecast report on the macroeconomic situation, the development of the pharmaceutical markets at home and abroad.







**2015 SUSTAINABLE DEVELOPMENT REPORT**

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## OVERVIEW OF THE SUSTAINABILITY REPORT

**AS A COMPANY OPERATING IN THE PHARMACEUTICAL SECTOR, WITH DIRECT IMPACT ON THE HEALTH OF MILLIONS OF CONSUMERS LOCALLY AND ABROAD, CREATING JOBS FOR NEARLY 3,000 WORKERS INVOLVED IN PRODUCTION AND OPERATION OF THE BUSINESS, DHG HAS DETERMINED THAT IT CAN ONLY SUCCESSFULLY ACHIEVE SUSTAINABLE DEVELOPMENT WHEN COMBINING BOTH ECONOMIC GROWTH AND HAVING RESPONSIBILITIES TOWARDS SOCIETY, COMMUNITIES AND ENVIRONMENT. AT THE SAME TIME, DHG MUST ENSURE THE BALANCE OF INTERESTS BETWEEN STAKEHOLDERS IN REGARD TO THE OPERATIONS OF THE COMPANY AT PRESENT AND IN THE FUTURE.**

### CONTENT OF THE SUSTAINABLE DEVELOPMENT REPORT

The Sustainable Development Report of DHG Pharma is an annual report to review and evaluate the implementation principles of sustainable development at Parent company and subsidiaries. The content of the report demonstrates the approaches of DHG Pharma for issues of sustainable development. During the past year, even though the market conditions were unfavorable, DHG Pharma has always been active in evaluating, determining core issues related to the sustainable development while to holding regular meetings and extraordinary depending on the level of work to meet and discuss with the stakeholders in order to meet the needs of stakeholders in a most efficient way. Therefore, in the content of the report this year DHG focuses on presentation of important issues affecting the nature of the industry, the issues that the stakeholders are most interested in.

### SCOPE OF THE REPORT

The information and data in the updated report for the fiscal year 2015 of the DHG start on 01/01/2015 and end on 31/12/2015. The report on the activities of labor safety, social and environment has been compiled from the main activities at the parent company and the subsidiaries. The report reflects the results of operations in 2015, also presents the directions and objectives in the coming years with regard to sustainable development of DHG.

**Reporting frequency:** annually

### METHODS OF DEFINING REPORT CONTENT

DHG's approach to the sustainable development issues comes from sustainable growth objectives of the Company's long term target associated with social development and environmental protection, thereby positively contributing for the overall development of the society. The issues related to sustainable development goals continue to be considered and reviewed in relation to current activities, identify the key issues from which to review, improve as well as presented more clearly in the contents of sustainable development report 2016.

### SCOPE AND LIMITATION OF REPORT

The report is created in Vietnam, in the pharmaceutical industry sectors, for the operation of the DHG Pharmaceutical JSC (DHG Pharma), its subsidiaries and associated companies.

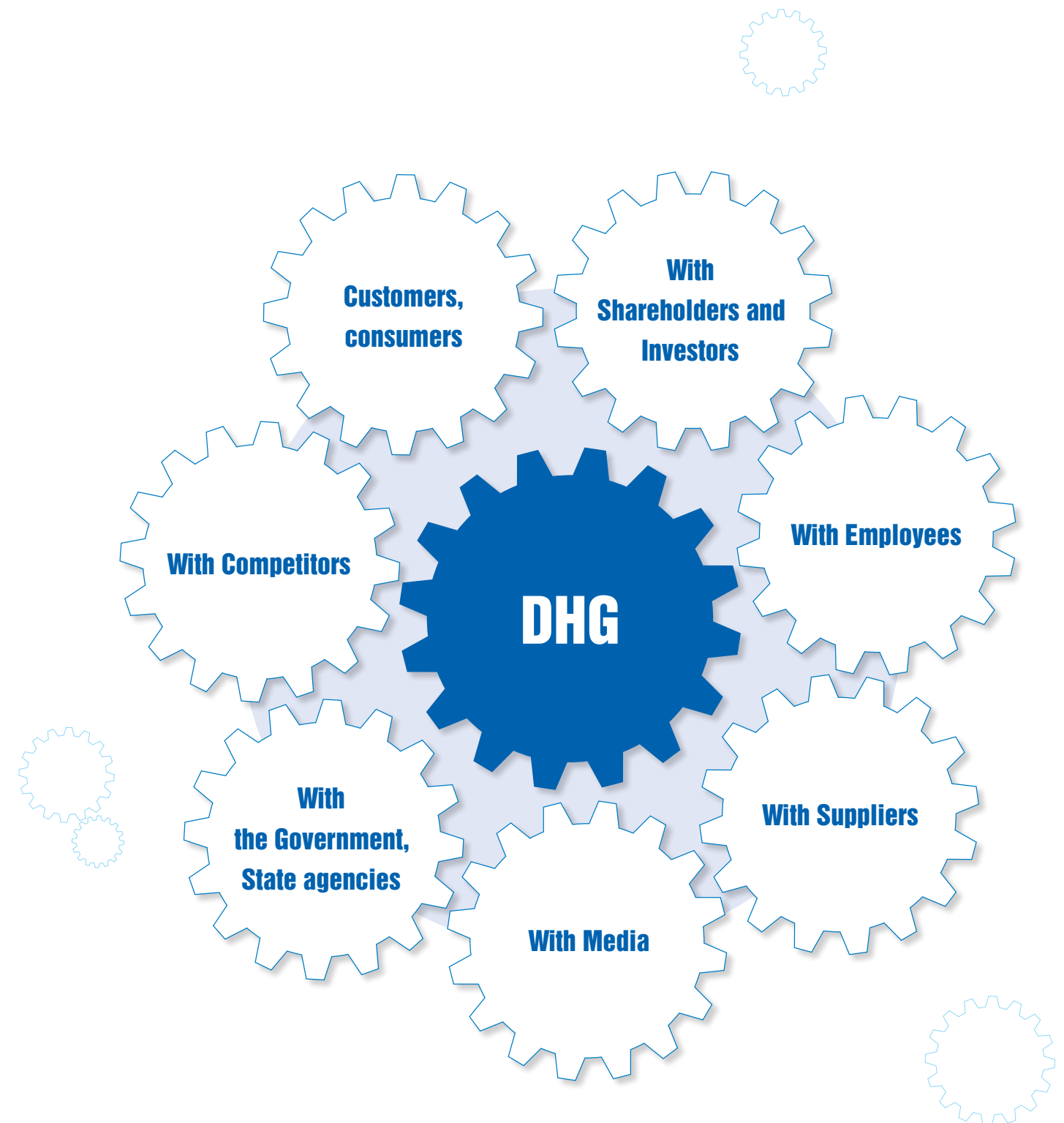
### CONTACT

DHG is working hard to meet the expectations of the stakeholders for information transparency, sustainable growth in the business, demonstrating the responsibility of businesses to the community. Thus, we are looking forward to receiving comments. All comments, questions relating to sustainable development issues, please send to:

Website: [www.dhgpharma.com.vn](http://www.dhgpharma.com.vn) (the Contact section)

- » Phone: 07103 891 433 (242) att. the Investor Relations Department
- » Ms. Le Thi Hong Nhung  
([hongnhung@dhgpharma.com.vn](mailto:hongnhung@dhgpharma.com.vn)) - Designated information disclosure person, Head of IR Department.
- » Ms. Duong Kim Loan  
([duongloan@dhgpharma.com.vn](mailto:duongloan@dhgpharma.com.vn)) - IR Department.

## THE SUSTAINABLE RELATIONSHIP WITH STAKEHOLDERS





# THE SUSTAINABLE RELATIONSHIP WITH STAKEHOLDERS (Cont.)



The company is committed to provide our customers with products and services promptly through an extensive distribution system.

## Customers, consumers



**ALL ACTIVITIES OF ALL MEMBERS OF THE COMPANY MUST AIM TO BUILD CONFIDENCE, LONG-TERM EMOTIONAL ATTACHMENT BETWEEN THE COMPANY AND CUSTOMERS, FOR THE SUSTAINABLE DEVELOPMENT OF THE COMPANY.**

"Quality, safety, effectiveness targeted as our highest commitments" is one of the core values of the Company to consumers about products and services and also the mission that all employees of the Company shall work toward to.

The Company is committed to provide our customers with products and services promptly through an extensive distribution system.

Never deceive customers, consumers on the quality and safety of products as well as the truthfulness of the advertisements, promotions.

Supports reasonable prices policies, healthy competition, complies with legal regulations in the domestic and foreign market. Ensuring the principle of mutual benefit, the price justifies the value of products and services.

Keep the competition healthy. No solicit, share business information of customers with their competitors.

## BE RESPONSIBLE WITH PRODUCTS PROVIDED TO CUSTOMERS, CONSUMERS.

Detect and promptly notify to the competent authority and educate customers to identify counterfeit and pirated goods. Product information, usage, benefits and side effects must be clearly specified on the prescription label.

Perform bioequivalence tests to prove DHG products are equivalent to the original brand-name drug.

Dedication products with high scientific and technical content, linking the application value of scientific research into practice, the application of biotechnology in the preparation and development of products of natural origin.

In addition to compliance with standards in the manufacture, storage, distribution of products, the Company always strictly abides by the regulations of the Ministry of Health, Vietnam Drug Administration, Department of Food Hygiene and Safety, local department of health.

Handling products questions and complaints through a hotline (mostly feedback), and through the sales staff of the Company (primarily pharmacies, hospitals, doctors feedback).

Handling of low quality product: Following the test results, if batches of unqualified drugs prescribed were shipped but not yet distributed, DHG Pharma will follow control procedures for unqualified products. If the batch has been delivered, DHG Pharma must comply with product recall procedures.



# THE SUSTAINABLE RELATIONSHIP WITH STAKEHOLDERS (Cont.)



## With Shareholders and Investors

**DHG PHARMA IS COMMITTED IN BUILDING RELATIONSHIPS WITH SHAREHOLDERS AND INVESTORS BASED ON HONESTY, FAIRNESS AND BENEFITS FOR ALL SHAREHOLDERS AND INVESTORS.**

As a listed company, DHG personnel will not provide, disclose, or use of insider information to advise/buying and selling securities for themselves or for others, not to create artificial demand and supply.

Disclosure of information is done with transparency, accuracy, truthfulness, completeness, clarity and timeliness: not only it is the responsibility of the Company to the shareholders, the investor, but also the responsibility of the Company for sustainable development growth.

The exchange, transparent disclosure of information must also be fair, to ensure equal investment opportunities for all investors.

Maintain effective communication channel for shareholders and investors, such as the Company website, annual report, IR newsletter, direct meetings, email, phone, publications and other activities of the Investors Relations department.

Never disclose confidential information of investors, shareholders with anyone for any reason, unless otherwise required by law or owner of the information.



## With Employees

**DHG IS THE PLACE WHERE EMPLOYEES LEARN, DEVELOP, CONTRIBUTE; IS WHERE THEY FIND WORK-LIFE BALANCE.**

For DHG, employees are valuable assets. Following "Responsibility, cooperation, and promotion prioritized in our motto of action". DHG focuses substantial investment for the human factor. The Company is always working to create an environment of solidarity, competition, and high learning curve for employees to promote creativity, dynamism and contribute effectively to the business results of the Company.

DHG is where employees with potential can develop their career and receive appropriate compensation for their contribution. DHG is the place with work-life balance.

The Company is committed to ensure full benefits and the legitimate rights of workers under the provisions of the labor law and other regulations of the State.

The Company does not use child labor, illegal labor. Working and resting properly.

Respect individual rights of workers, respect for religious preference but not superstitious.



# THE SUSTAINABLE RELATIONSHIP WITH STAKEHOLDERS (Cont.)



**BESIDES BEING THE MARKET LEADER DHG IS A SYMBOL OF HUMANE, BOTH WITHIN DHG AND WITH COMPETITORS, THIS IS THE MOTTO OF ALL DHG MEMBERS.**



**DHG OBEYS THE LAW REGARDING TRANSACTION WITH SUPPLIERS AND FOLLOWS THE PRINCIPLES:**

## With Competitors

- Expose and work with competitors on a learning perspective, fair and healthy competition.
- Never engage in activities to undermine competitors.
- Never collude with one or more competitors for the purpose of bringing down the other competitors.
- Never produce and distribute counterfeit products of competitors.
- Never speak ill of anyone, and do not make false statements about the products of competitors.
- Never take advantage of relationships with customers to induce them to have unfair attitude and behavior to competitors.
- Collect, share and use information about competitors in the mass media, annual reports, websites of competitors, public speeches and other publications. Also indicate the source of information to use, absolutely never collect competitors information by illegal or unethical mean.

## With Suppliers

- The Company ensures fair and transparent competition between suppliers, considering base on the objective benefits that the supplier bring to the Company on the basis of mutual prosperity.
- Not too rely on economies of scale to mistreat suppliers, not having arrogance and attitude problem, making providers wait too long.
- Never use personal position to ask for "commission", gift from suppliers for personal gain.
- Never disclose confidential information of supplier to their competitors.



## With the Government, State agencies

- Do not perform illegal acts to censor information beneficial to the Company or individual.
- Do not commit acts of bribery to gain privileges and special benefits from the Government, State agencies.
- Fulfill tax obligations and contributions local budgets as required. Can utilize tax incentives policies of the State but absolutely cannot commit tax evasion.



## With Media

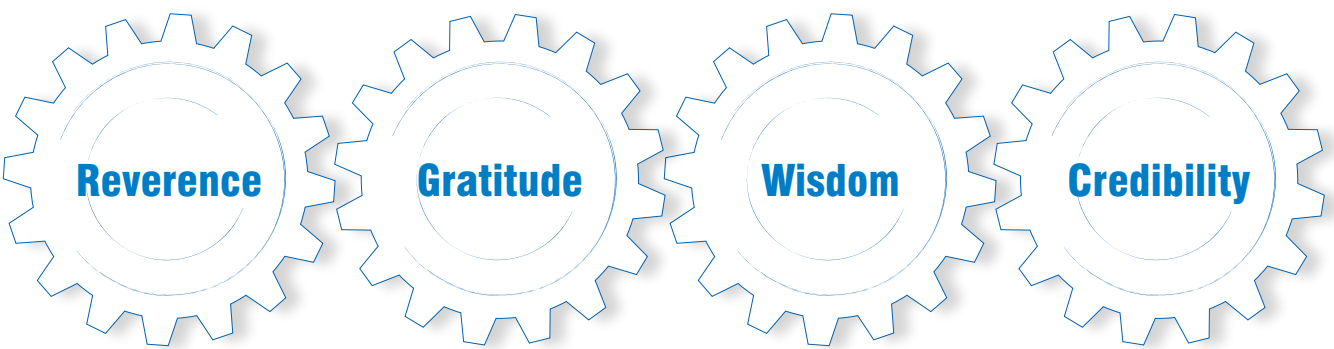
- Today, the media has a strong influence on many aspects. Establishing relationships with the media is essential in helping to lift the image, improve DHG brand, reach out increasingly closer to consumers. That relationship must be built on the principles of equality, information accurate, complete, clear and legal.
- The Company has assigned a person in charge of communication and disclosure, other individuals cannot contact with representatives of the media to answer questions related to the Company.





# ETHICS AND INTEGRITY

## DHG's Corporate Culture



**CORPORATE CULTURE IS THE FINE TRADITION, THE GLUE THAT HOLDS THE MEMBERS OF A BUSINESS CLOSER TO THE SPIRIT OF SOLIDARITY UNIFYING THEIR SPIRITS TO PUT THE COMPANY CONSTANTLY FORWARD, IN WHICH ALL EMPLOYEES PLAY IMPORTANT ROLES TO CONTRIBUTE TO BUILDING AN UNIQUE CULTURAL IDENTITY OF DHG, A SUBCULTURE CONVERGENCE OF ALL CRITERIA “REVERENCE”, “GRATITUDE”, “WISDOM”, “CREDIBILITY”, LIVING IN HARMONY WITH COLLEAGUES AND THE COMMUNITY.**

Throughout the history of more than 40 years of establishment and development, it is difficult to find a place with such culture as DHG's people. Can Tho may not raise them up but more or less has shaped them into such gentle, honest, hardworking yet brave, daring, compassionate men and women. Therefore, the identity requirement for DHG's employees is no longer distant but very close to the people of Vietnam's ideal of reverence and gratitude, which has been embedded in every action, manner on important occasions such as weddings, funerals, birthdays... with sympathy and uniting love, like an old proverb "When a horse

is ill, the whole stable refuse to eat the grass". Throughout the "Sharing in Action" initiative, every DHG's employee has opportunities to speak up his/her thoughts in order to be more understanding when there is disagreement at work, or more forgiving when someone makes mistakes; thus at the end of the day, every one can truly feel the warm love under the second home they call DHG.

Speaking of DHG's identity, one cannot omit the result of sincerity towards customers, through commitment of the highest product quality, customer care quality, and the fellowship of all medical

practitioners. It is DHG's culture that helps built the DHG Pharma's solid figure in consumers' awareness.

The Company identity is not only the present from the past for the present and future generations to continue to build, but also the orientation, the cultural institution, shaping distinguish individuals who embrace all qualities of reverence, gratitude, wisdom and credibility, yet living in harmony among the community. DHG always understands that cultural heritage is the weapon, the competitive advantage that helps the Company to reach victory in the marketplace.



**... AND TO HAVE A TEAM ALWAYS STRIVING FOR THE COMMON DEVELOPMENT GOALS, DHG NEEDS TO INVEST A LOT OF EFFORT INTO TRAINING, COACHING, EDUCATING AND FURTHER CARING TO ITS EMPLOYEES BOTH PHYSICALLY AND SPIRITUALLY IN ORDER TO CREATE A CIVILIZED AND POLITE FEATURE, A UNIQUE “DHG PHARMA’S CULTURAL IDENTITY” VIVIDLY IMPRINTED IN PEOPLE’S HEARTS.**



Core Values - Code of Conducts



EACH MEMBER  
IS A DHG  
PHARMA'S  
AMBASSADOR

**AFTER 40 YEARS OF ESTABLISHMENT AND DEVELOPMENT ON THE PLATFORM OF UNIFYING VISION AND CONSISTENT VISION, MISSION, CORE VALUES AND A UNIQUE CULTURAL IDENTITY, THE COMPANY’S LEADERS ARE DETERMINED TO KEEP THE STEADY AND SUSTAINABLE DEVELOPMENT FOR DHG, THE LEADING WING OF THE PHARMACEUTICAL INDUSTRY AS ALWAYS.**

In order to achieve that, DHG needs to consolidate and promote the codes of conduct within the Company to ensure that all employees are strictly abide to the Company’s regulation, playing the role of “Each member is a DHG Pharma’s ambassador”, leaving only the best impressions when dealing with business partners, customers as well as inspiring their interest and goodwill in cooperation with DHG.



**QUALITY, SAFETY, EFFECTIVENESS  
TARGETED AS OUR HIGHEST COMMITMENTS**

- With DHG PHARMA’S 5 most care about criteria:
- » Quality of products and services as top priority
  - » Maximum business efficiency
  - » A safe and healthy working environment
  - » Employee’s professionalism
  - » Job stability and long term dedication for every employee.



**KNOWLEDGE AND CREATIVITY SERVED AS OUR  
FOUNDATION FOR DEVELOPMENT**

- Human factor is a valuable resource, hence DHG PHARMA always cares about:
- » Employees are properly trained, and are willing to take on new challenges and always thrive to achieve challenging goals.
  - » Ideas must be created and shared everywhere at all level of the Company.
  - » Encouraging creativity, self- improvement, innovation, and self -perfection in every employee...
  - » All employees always understand the constant change and must see change as an opportunity or at least as a possible challenge- if they can all work hard, wisely and collaborate/coordinate well.



**RESPONSIBILITY, COOPERATION, AND PROMOTION  
PRIORITIZED IN OUR MOTTO OF ACTION**

- » DHG PHARMA wants to seek and keep the fittest people from all technical fields. We want our employees to be satisfied with the assigned work; therefore DHG PHARMA constantly strives to create a good working environment.
- » DHG PHARMA wants every employee to understand that no matter what position they hold, they are all an indispensable part of the Company.
- » Define and describe clearly roles and responsibilities of each individual.
- » Issue orders and directions to execute all Company’s policies, working regulation, codes of ethics and other recommendations in a clear, realistic, plausible way with close supervision and reminders.
- » Train and educate the successor team.
- » Promote, compensate, and reward based on fair assessment of qualifications and work results of each employees, team’s achievement and market value.
- » Care and implement social responsibilities with employees; ensuring the balance between health and work result and family life, allowing employees to be able to fully commit to their families, work, and long term dedication.

## ETHICS AND INTEGRITY (Cont.)

4

### DHG PHARMA IDENTITY FEATURES TAKEN AS OUR PRIDE

- » To DHG PHARMA, ethics is considered the potential intrinsic value, the instructions in daily actions, important factors affecting the Company's reputation, the foundation for the success and sustainability of the Company, portraying all characteristics of DHG PHARMA'S staff team.
- » Most importantly, DHG PHARMA's image depends on the action of each individual in DHG PHARMA - as regarding the business activities of the Company, the biggest threat is not the financial crisis, but the crisis of the Company image.
- » DHG PHARMA considers the construction, preservation and development of ethical standards, the value and ideal of how to organize and control tasks, and how to manage and make decisions, communication and public relations as the elements that make up the Corporate culture; with purposes such:
  - › Enhancing the values: "Quality - Efficiency - Innovation - Loyalty - Discipline - Professionalism" in all activities of the individual and the collective.
  - › All the staff are proud of the Company culture on the basis of a system of ethical standards and spirit based on the specific characteristics of the Company, aimed at the best value that everyone recognizes and society agrees, creating unique distinctions; and durable strength of the Company on the market.
  - › Make a good impression, a personal touch to convince society and all people; thereby cultivate reputation to strengthen the Company's growth.
  - › To build a committed and loving community, from members who are good at their jobs yet thriving to improve personalities.
  - › Take the DHG's identity as the inner strength, as one of the management solutions coordinate between tradition and modernity, between history and development; as an priceless asset passed from generation to generation.

5

### MUTUAL PROSPERITY WITH PARTNERS ESTABLISHED AS OUR LONG-TERM GOAL

- » On the principle of cooperation and mutual benefit, DHG PHARMA maintains and develops relationships with partners on the basis of equality, healthiness, law-abiding and mutual development.
- » See customers as the ones who bring resources to the Company. Therefore, long-term and utmost objectives is to satisfy every customers' needs, strengthening DHG PHARMA products' position in customers' minds.
- » Comply with all laws and regulations in order to ensure the faith from consumers, customers, investors, stakeholders and society in general.

6

### OUTSTANDING DIFFERENTIATION EMPLOYED AS OUR STRENGTH IN COMPETITIONS

- » All the Company's activities always aim to lead in the high technology processes (production, marketing, management).
- » Create products and services with distinguished, unsurpassed attributes, bringing new value added to the consumers; contribute to shape the market orientation.
- » Develop and provide high quality products, attention to health and safety of customers and consumers.
- » Applying the latest technology and the most advanced possible onto all the entire product cycle, including research and development, production, storage and distribution.
- » Expand the resource recruitment, training and development of young generations properly, attract and develop talents.

7

### BENEFITS FOR THE COMMUNITY CENTERED UPON AT THE START OF ALL ACTIVITIES

- » DHG PHARMA is a member of the community, working with the community to develop. DHG PHARMA'S community activities are more effective when tied to the commitment of the high quality products and services to its building the foundation for society.
- » To promulgate and adhere to the positive measures relating to environmental, safety and health, and -promote responsibility - related activities to increase effectiveness of these measures.
- » Organize activities to enhance the development of future generations to further contribute to the prosperity of society.
- » Gain goodwill and confidence through contributions to the local community as responsible members of society; increase Company's awareness in the community.
- » One of DHG PHARMA'S features is the rich history, so the gratifying actions and manners toward those who have contributed to the establishment and development of the Company is always in everyone's thoughts. Also all employees support positively to charity movements, and campaigns when disasters, floods... occur.
- » Nurture and educate the employees' children, giving them with pride about the Company. Incubate future generations.





## ENERGY AND THE ENVIRONMENT

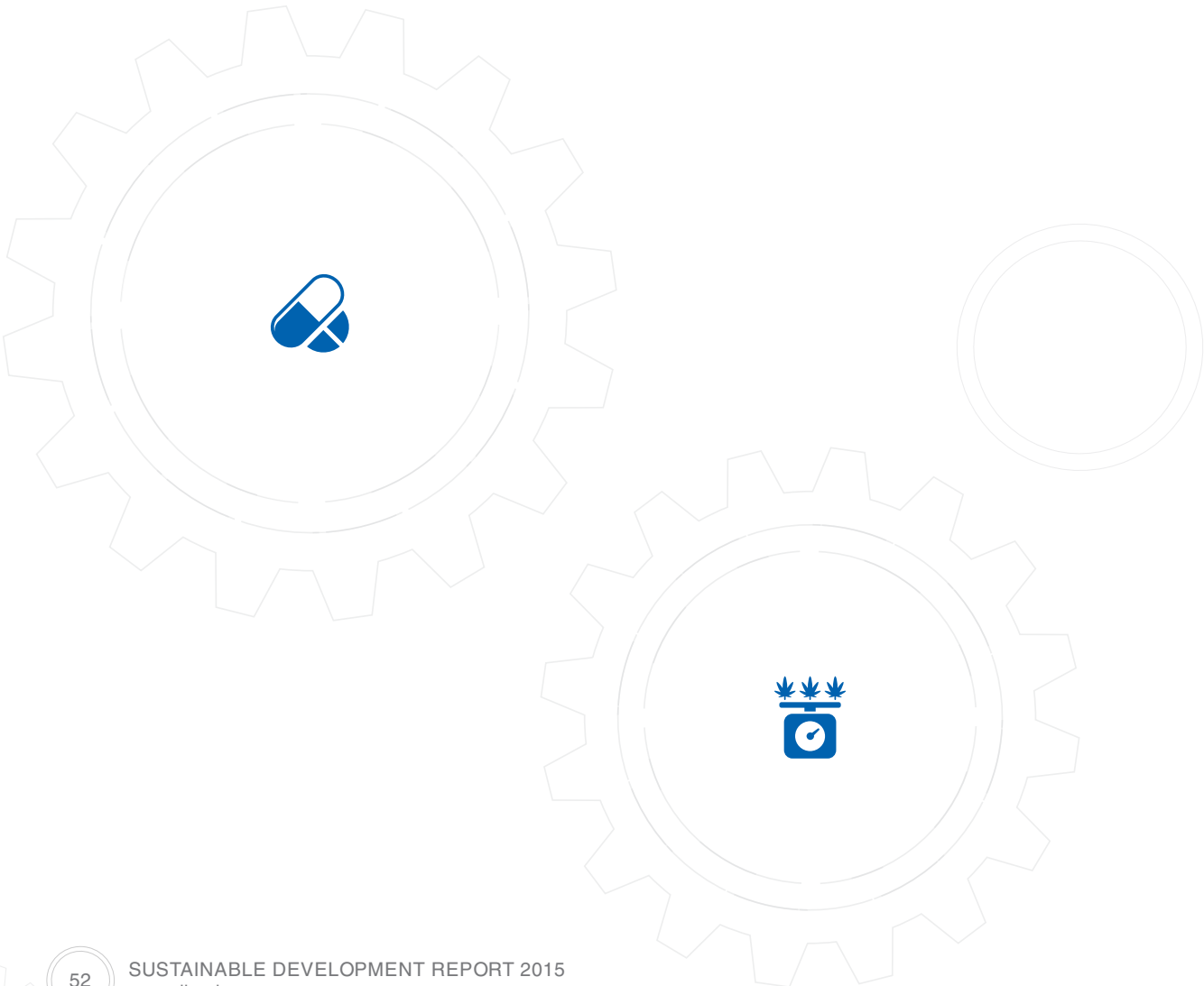
- 52 Raw materials management
- 53 Energy source
- 55 Water source
- 56 Protecting the environment, emission, air pollution and waste control



RAW MATERIALS  
MANAGEMENT

Demand for raw materials in 2015: 4,337 tons of material + adjuvant, 766 million empty capsules of various kinds, 939 tons of aluminum + PVC + film + membrane graft types, 51.5 million boxes, cartons, pads and 112.6 million kinds of labels, label bins, paper manuals and bags of all kinds.

The materials use norms and register for wastage reduction targets, reduce inappropriate products each year. Specifically: 2015, reducing product loss in production of 2.2% compared to 2014. Reduced shrinkage 2.86% of aluminum, PVC 2.75% with a total value effectively worth 2 billion VND.



ENERGY SOURCE

Energy costs affect the cost of doing business, thus saving energy is the primary principle of manufacturing leading to higher profits. The company always remind staff to comply with the regulations on energy usage, such as: using electricity in the right time, at the right place, turn off when not in use, applying science and technology to adjust energy consumption in refrigerated buildings, transportation...

Use of electricity for production and activities

2015 total electricity used for production and daily living is 31.9 billion VND, decreased 1.4% compared to 2014.

Energy intensity per unit of product:

Target	Unit	2014	2015
Output	Mil. unit	4,813	4,156
Actual used	Kwh	21,970,000	19,746,658
Intensity	Kwh/Mil. unit	4,564	4,751

Power usage of 2015 increased compared to 2014 (per product unit) due to the operation testing of the auxiliary system in Betalactam factory at Tan Phu Thanh Industrial Park.



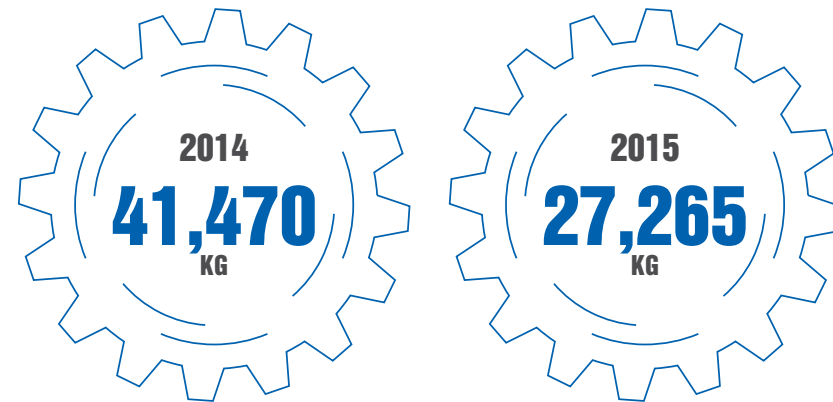


## ENERGY SOURCE (Cont.)

### Fuel Gas for burning boilers

2014: 41,470 kg, the total of VND 916,057,410.

2015: 27,265 kg, the total amount of VND 387,009,990.



### Measures to save electricity in 2015

2015, to save power in production the company has made in implementing the following initiatives:

The topic of “Leveraging emission sources from Non Betalactam workshops for finished goods storage and warehouse level 2 compensate bags, reducing power consumption” and “AHU operational efficiency and reasonable according to planned production”. Total cost savings: 832 million VND.

Time implemented	Power consumption before implementation	Power consumption after implementation	Power save	Total implementation days
From 05/2015 to 12/2015	14,714 Kw/day	12,357 Kw/day	2,357 Kw/day	218

#### Cost savings

$2,357 \text{ Kw} \times 218 \text{ days} \times 1,621 \text{ VND/Kw} = \text{VND } 832,911,946.$

The topic of “Changing operating mode for the cluster pumps of the center cold water system to save power”. Total cost savings: VND 493 million.

Time implemented	Power consumption before implementation	Power consumption after implementation	Power save	Total implementation days
From 05/2015 to 12/2015	9,955 Kw/day	8,560 Kw/day	1,395 Kw/day	218

#### Cost savings

$1,395 \text{ Kw} \times 218 \text{ days} \times 1,621 \text{ VND/Kw} = \text{VND } 492,962,310.$

For fuel gas, the Company contracts with Total Gas Vietnam suppliers at Can Tho: installation, maintenance for use only at the plant in DHG Pharmaceutical plant at Nguyen Van Cu Street, Can Tho city.

At the same time, to reduce climate change, the Company has started using LED lighting instead of fluorescent lamps.

Use clean lines and clean technology, modern, low energy consumption and low environmental impact.

Develop awareness of saving electricity for employees (turn off lights, fans, air conditioning when not in use or when out of the room.)

Every year, the Company has contracted to implement productivity-saving amount to 10% of electricity consumption.

## WATER SOURCE

Currently there are about 1/3 of the world's countries suffer from water shortages, and by 2025 this figure will be 2/3 with about 35% of the world population will find itself in the serious water shortage. Therefore, these concerns affect all countries in the world.

Vietnam has always determined that “water resources are especially important, an essential component of life and the environment, impact on the very existence, sustainable development of the country”.

DHG Pharma always appreciates the protection and development of water resources, encourages employees to contribute ideas and initiatives for saving water usage and reuse of water resources effectively.

### Supply

Water resources currently used for two plants (DHG Plant and Hau Giang Pharmaceutical Factory) is the tap water supplied by Can Tho and Hau Giang water supply and sewerage company, with the flow as followed:

### Output and intensity of water usage

In 2015 total money used for production and everyday activities is VND 2.13 billion, decreased 4.91% compared to 2014.

Water consumption intensity table.

Target	Unit	2014	2015
Output	Mil. units/year	4,813	4,156
Water usage	m <sup>3</sup> /year	303,792	268,023
Intensity	m <sup>3</sup> /mil. units	63	64
% wastewater recycle/total wastewater	%	NI	20%

### Measures to save water in 2015

Currently, to use efficiency and save water, DHG has conducted standardized piping, installation of the new design water meters for all water using units. There are monthly statistics tracking to remind switching on/off, using water for the right purpose and educate on cost reduction awareness.

The Company is on track to exchange norms using standardized equipment lines and factory. The Company has also begun to implement the recovery of waste water treatment standards used for irrigation, sanitation, pending the approval of relevant authorities. In 2016, if the appropriate authorities approve the use of wastewater for irrigation and hygiene purposes, the total wastewater reuse/recycle will reach over 20% of the total wastewater volume.

In the following years, the Company plans to further streamline the scientific production, increased production lot sizes, continuous production to reduce the cleaning time, reduce domestic energy consumption, reduce waste water sanitation, improve labour productivity growth to reduce electrical energy consumption per unit produced. At the same time, DHG Pharma will use water more efficiently through the design of a complete water supply system, to ensure water does not leak, easy to control and easy to repair in case of incidents.

### Wastewater reuse and recycle

Faced with saltwater intrusion, drought across the country, the water shortages for living and production is a hot topic of social community interest. Water resources in the current period is extremely valuable. DHG soon realizes this and had prepared for the recovery and reuse of wastewater after treatment to meet the prescribed standards. Thus, during the construction of the wastewater treatment system, the Company has implemented the construction of treated water reservoir for reuse and use of river water for irrigation instead of tap water.

In 2015, the Company used the method of recovering and bringing water to the tower dust handling, cooling towers to save and use water resources efficiently.

THE COMPANY ADHERES TO NOT VIOLATE THE LAWS AND REGULATIONS ON THE ENVIRONMENT AND FOLLOW THE INSTRUCTIONS OF THE MANAGEMENT BODIES OF THE LOCAL ENVIRONMENT. CURRENTLY, THE CONTROL SYSTEM OF ENVIRONMENTAL COMPLIANCE IS BEING IMPLEMENTED BY THE ENVIRONMENT AND SAFETY BOARD OF THE COMPANY.



### The pollution prevention policy

The Company complies with regulations on pollution prevention standards ISO 9001:2008 and GMP, GLP, GSP-WHO. In addition, the Company has implemented measures to prevent environmental pollution according to the instructions of the local environmental agencies such as: perform review on environmental impact assessment and comply with the commitment. Environmental monitoring activities are performed 4 times per year. The results of monitoring environmental quality is assessed according to the current Vietnam standards.

### Means and methods of environmental sampling

Samples were collected by the Monitoring Center Department of Natural Resources & Environment of Can Tho City: collect and preserve according to Vietnam testing standards.

Sample type	Tools	Vietnam Standard	Assessment method
Ambient air	SIBATA dust collector. DESAGA GS 312 air sampling collector. OLDHAM MPLUS 2 toxic measuring device.	TCVN: 5067:1995; 5971:1995; 6137:1996.	National Technical Regulations on ambient air quality 05: 2013/ BTNMT (Average 1 hour). National technical regulations on noise 26: 2010/BTNMT (From 6 hours - 21 hours). Decision 3733/2002/QĐ-BYT (Maximum each).
Noise	RION NL 21 noise measuring machine.	TCVN: 7878-1:2008 (ISO 1996:2003); Acoustics - Description, measurement and assessment of environmental noise.	
Humidity	Extech 407412 machine.	Quick measurement in the field.	
Waste water	Plastic can, glass bottle.	TCVN: 5999:1995 sampling. Technical instruction of sampling waste water.	National Technical Regulations on ambient air quality 05: 2013/ BTNMT (Average 1 hour). National technical regulations on noise 26: 2010/BTNMT (From 6 hours - 21 hours). Decision 3733/2002/QĐ-BYT (Maximum each).

### The parameters and results of air quality monitoring

Permissible limits on air quality			
Target	Unit	Decision 3733/2002/QĐ-BYT (maximum each)	QCVN 26: 2010/BTNMT (from 6h - 21h) QCVN 05: 2013/BTNMT (Average 1 hour)
Noise	dBA	85	70
Dust (TSP)	µg/m <sup>3</sup>	8,000	300
SO <sub>2</sub>	µg/m <sup>3</sup>	10,000	350
NO <sub>2</sub>	µg/m <sup>3</sup>	10,000	200
CO	µg/m <sup>3</sup>	40,000	30,000

Results of air quality monitoring at the Can Tho DHG Pharmaceutical plant

Target	Unit	2014				2015			
		KK1	KK2	KK3	KK4	KK1	KK2	KK3	KK4
Noise	dBA	72.1	65.3	67.8	68.7	69.9	67.1	66.2	64.8
Dust (TSP)	µg/m <sup>3</sup>	156.5	204.1	224.5	231.3	293.7	218.7	218.2	252.8
SO <sub>2</sub>	µg/m <sup>3</sup>	8.1	17.1	18.7	31.4	15.4	15.2	13.9	15.9
NO <sub>2</sub>	µg/m <sup>3</sup>	7.1	10.3	13.4	30.6	15.7	13.4	11.7	15.1
CO	µg/m <sup>3</sup>	1,145	KPH	1,145	KPH	847	5,985	1,355	2,146

Note: sampling time 15/12/2014 and 03/12/2015.

#### Sampling collecting location:

KK1: production area, UTM coordinates (X=0583940, Y=1110654), periodic inspection 4 times/year.  
KK2: office area, UTM coordinates (X=0583983, Y= 1110598), periodic inspection 4 times/year.  
KK3: packaging and processing workshops areas, UTM coordinates (X=0583872, Y=1110610), periodic inspection 2 times/year.  
KK4: houses area adjacent to the wastewater treatment systems, UTM coordinates (X=0583921, Y= 1110499),periodic inspection 2 times/year.

Results of air quality monitoring at the plant in Hau Giang Pharmaceutical (Tan Phu Thanh Industrial Zone - Hau Giang)

Target	Unit	2014		2015	
		KK1	KK2	KK1	KK2
Noise	dBA	65	63	63	65
Dust	µg/m <sup>3</sup>	104	97.3	167.1	193.4
SO <sub>2</sub>	µg/m <sup>3</sup>	123.4	129.8	115	126
NO <sub>2</sub>	µg/m <sup>3</sup>	147.5	172.2	50.9	57.2
CO	µg/m <sup>3</sup>	460	280	680	420

Note: sample collection time between 20/09/2014 and 16/09/2015.

#### Sampling locations:

KK1: the air in the plant, KK2: air surrounding residential areas, periodic inspections 4 times/year.

From the monitoring results: all the parameters in 2014, 2015 are valid within the limits permitted by Regulation NTR 26: 2010/BTNMT and NTR 05: 2013/BTNMT. Thus, emissions from the operation of the plant do not affect the health of staff. DHG Pharma performs appropriate measures to protect the environment.





Emissions, waste water, waste, noise and vibration

EMISSION

**Sources:** Emissions from production process, primarily dust.

**Mitigation measures:** exhaust gases are processed through the dust handling systems of each workshop.

The company's emissions are mainly emissions from laboratories, backup generators and air conditioners.

- » Emissions from Laboratories are processed through the in house system, thus does not cause environmental impacts.
- » Emissions from the generator: as DHG is a manufacturing company, DHG has preferential treatment on power supply. Typically, the company only uses the generator in the extraordinary circumstances, such as when there are electrical problems or power outages. The Company usually get noticed of power outages days before hand, thus the Company are able to reschedule production plan, to stop accordingly, avoid using electric generators, as it is expensive and affect the environment. The emissions generated by the generator are therefore negligible.
- » Emissions from air conditioners: to reduce this type of emissions, the Company has regulation on saving practice, turning on/off time for office workers. For the central cooling system supporting production, the Company make sure goods are sorted into appropriate areas for easier managing, saving power and reduce emissions.

WASTEWATER

**Sources**

- » Wastewater from daily activities: from workers, security personnels. Volume of 3,324 m³/month.
- » Wastewater from production: Wastewater from production processes pills and liquid gels. Volume of 14,554 m³/month.

Waste places disposed at: No. 288 Bis Nguyen Van Cu Str, An Hoa Ward, Ninh Kieu District, Can Tho City (Plant at parent company) and Tan Phu Thanh Industrial Park, Chau Thanh A District, Hau Giang Province (DHG Pharmaceutical factory)

MITIGATION MEASURES

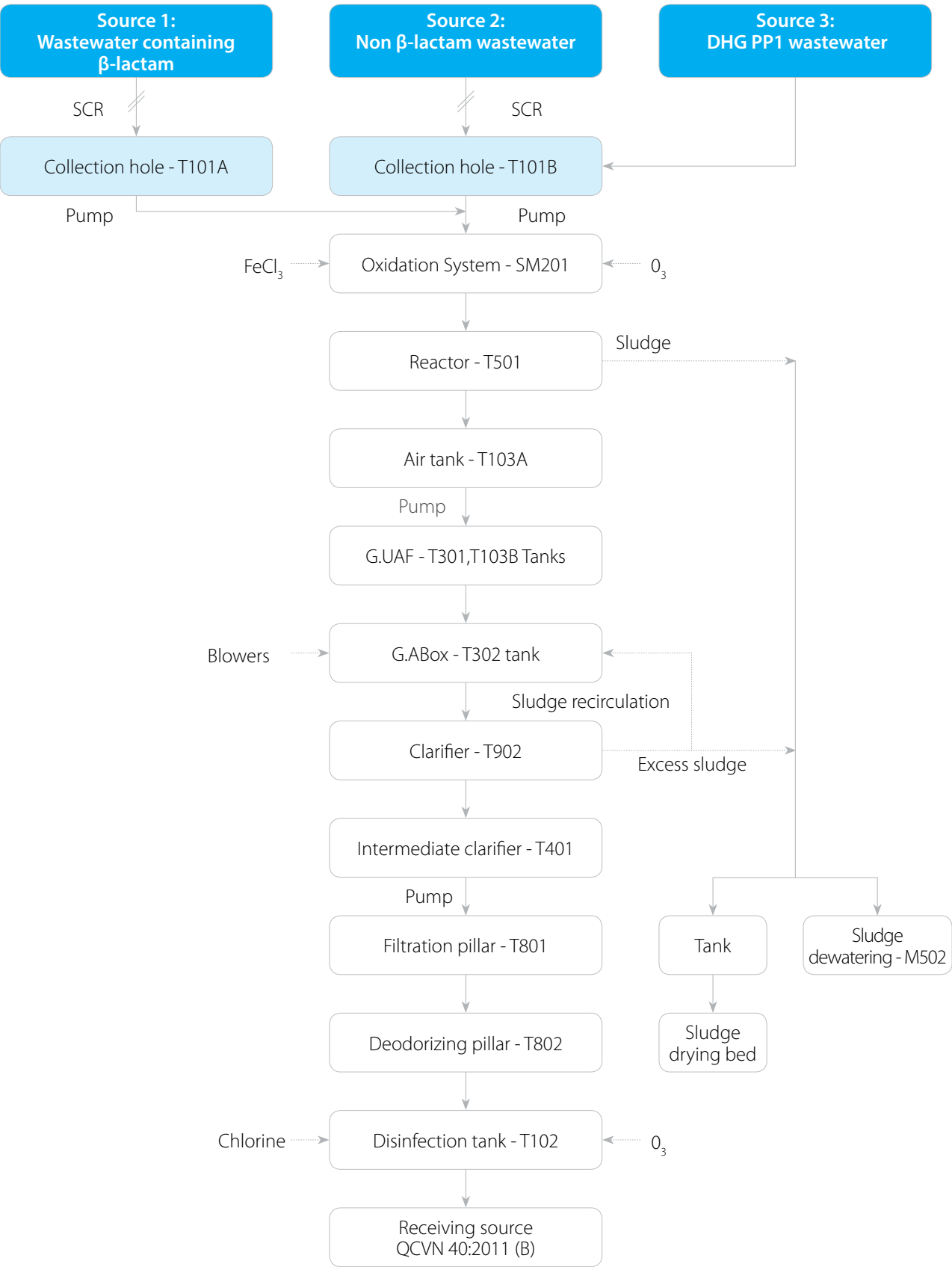
Rainwater collection system of the plants are separated. Residential and production wastewater is collected in the wastewater treatment system of the plant for centralized processing.

The total volume of wastewater for residential and production of the plant is currently around 595 m³/day (in theory). In the guidelines for 2016, the company will install water meter to monitor the use of water (irrigation and street cleaning activities) to use water more efficiently.

**Treatment methods:** chemical physics + microbiology

HAU GIANG PHARMACEUTICAL PLANT (AT TAN PHU THANH - HAU GIANG IP)

Wastewater treatment technology system flowchart:



DHG PHARMA

PROTECTING THE ENVIRONMENT

AND EMISSION, AIR POLLUTION AND WASTE CONTROL (Cont.)

Wastewater quality monitoring after treatment results table

No.	Parameters	Unit	Result		QCVN 40:2011 /BTNMT (*)
			2014	2015	
1	Temperature	°C	31	28.5	40
2	pH	-	7.47	6.92	6 - 9
3	Saturation	Pt - Co	39	47	50
4	TSS	mg/l	5	26	55
5	BOD <sub>5</sub> 20°C	mg/l	11	14	33
6	COD	mg/l	17	21	82.5
7	Excess chlorine	mg/l	0.32	0.07	1.1
8	Total nitrogen	mg/l	15	7.4	22
9	Total phosphoric	mg/l	0.75	0.28	4.4
10	Total Coliform	MPN/100ml	<3	<3	3,000
11	Mineral oil	mg/l	1.1	0.6	5.5
12	Fe	mg/l	0.08	0.12	1.1
13	As	mg/l	KPH (LOD = 0.005)	KPH (LOD = 0.005)	0.055
14	Zn	mg/l	KPH (LOD = 0.006)	KPH (LOD = 0.006)	3.3
15	Pb	mg/l	KPH (LOD = 0.07)	KPH (LOD = 0.07)	0.11
16	Cd	mg/l	KPH (LOD = 0.01)	KPH (LOD = 0.01)	0.055
17	Hg	mg/l	KPH (LOD = 0.005)	KPH (LOD = 0.005)	0.0055
18	Cu	mg/l	KPH (LOD = 0.01)	KPH (LOD = 0.01)	2.2
19	Cr <sup>3+</sup>	mg/l	KPH (LOD = 0.02)	KPH (LOD = 0.02)	0.22
20	Xyanua	mg/l	KPH (LOD = 0.002)	KPH (LOD = 0.002)	0.077
21	Phenol	mg/l	0.00051	KPH (LOD =0.001)	0.11

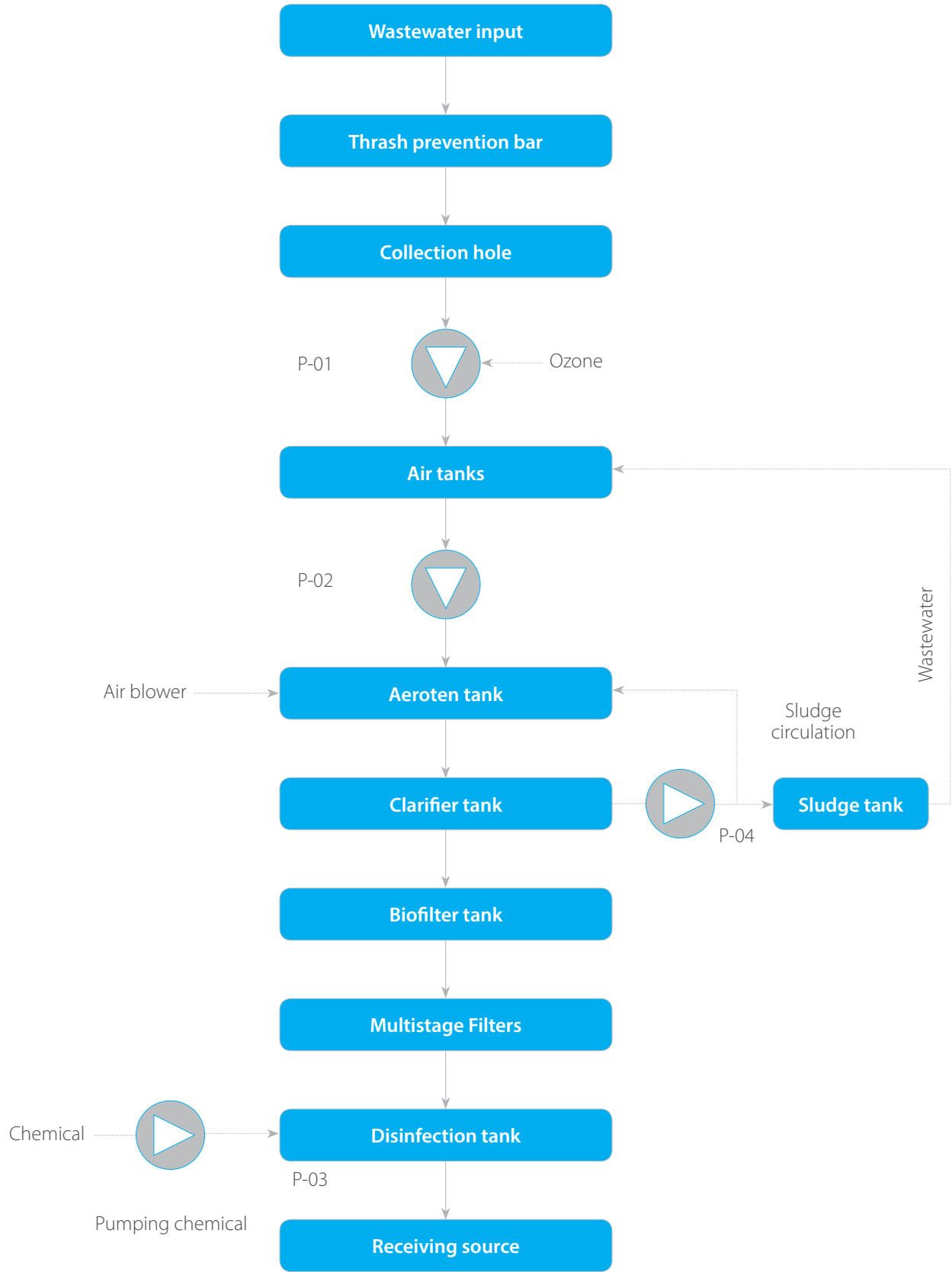
Note:

KPH: not detected

All wastewater parameter quality analysis achieved QCVN 40: 2011/BTNMT, Column A shows the wastewater treatment system at the plant is operating very efficiently, not causing environmental pollution.

HAU GIANG PHARMACEUTICAL PLANT (CAN THO)

Wastewater treatment plant





DHG PHARMA

# PROTECTING THE ENVIRONMENT AND EMISSION, AIR POLLUTION AND WASTE CONTROL (Cont.)

Results of water quality monitoring of treated waste water treatment - old system

No.	Parameters	Unit	Results		QCVN 40:2011/ BTNMT
			2014	2015	
1	pH		6.93	6.72	5.5÷9
2	BOD <sub>5</sub> 20°C	mg/l	7	26	50
3	COD	mg/l	18	40.4	150
4	SS	mg/l	22.5	54.5	100
5	Total Nitrogen	mg/l	1.12	9.2	40
6	Total phosphoric	mg/l	0.42	2.5	6
7	Chloride (Cl-)	mg/l	-	99.4	1,000
8	Excess chloride	mg/l	0.14	-	2
9	Color	Pt-Co	7.5	25	150
10	Phenol	mg/l	0.00067	KPH (LOD=0.47)	0.5
11	Xyanua	mg/l	KPH	KPH (LOD=0.002)	0.1

Results of water quality monitoring of treated wastewater treatment - new system

No.	Parameters	Unit	Results		QCVN 40:2011/ BTNMT
			2014	2015	
1	pH		6.9	7.03	5.5÷9
2	BOD <sub>5</sub> 20°C	mg/l	8	22	50
3	COD	mg/l	19	34.4	150
4	SS	mg/l	22.5	47.5	100
5	Total Nitrogen	mg/l	4.48	5	40
6	Total phosphoric	mg/l	1.2	2.5	6
7	Chloride (Cl-)	mg/l	-	98	1,000
8	Excess chloride	mg/l	0.21	-	2
9	Color	Pt-Co	7.5	27.5	150
10	Phenol	mg/l	0.00066	KPH (LOD=0.47)	0.5
11	Xyanua	mg/l	KPH	KPH (LOD=0.002)	0.1

WASTE

Waste generated at the Company: comply with the provisions of the Environmental Management Guidelines and the provisions of the current law.

Residential solid waste

Residential solid waste includes waste from office blocks, cafeterias, canteens, factories sanitary premises, plants... these waste was brought to the centralized solid waste area in accordance with appropriate regulations.

The total waste volume generated by two plants is about 4 m³/day.

This waste is collected by the Urban Works Company. Then sanitation worker sweep, wash, and spray 0.4% sterilized Javel solution.

Production wastes

Non-hazardous waste (scrap) includes all kinds of scrap metal; all kinds of carton packaging are brought to the centralized area in accordance with appropriate regulations. These are purchased under the contract for collection, sanitation workers to clean up after the scrap is collected.

Hazardous waste includes oily rag, fluorescent lamps, waste oil, waste

electronic components; the amount of hazardous waste is about 9,849 kg/month and are managed according to current regulations.

Hazardous wastes are classified, packaged, labeling the appropriate code and transfer to the hazardous waste warehouse. The contracted factory will process these.

Cost

The total cost of hazardous waste disposal in 2015 was 1,091 million/year. In which: 827 million at DHG Pharmaceutical plant and 264 million at Hau Giang Pharmaceutical factory.

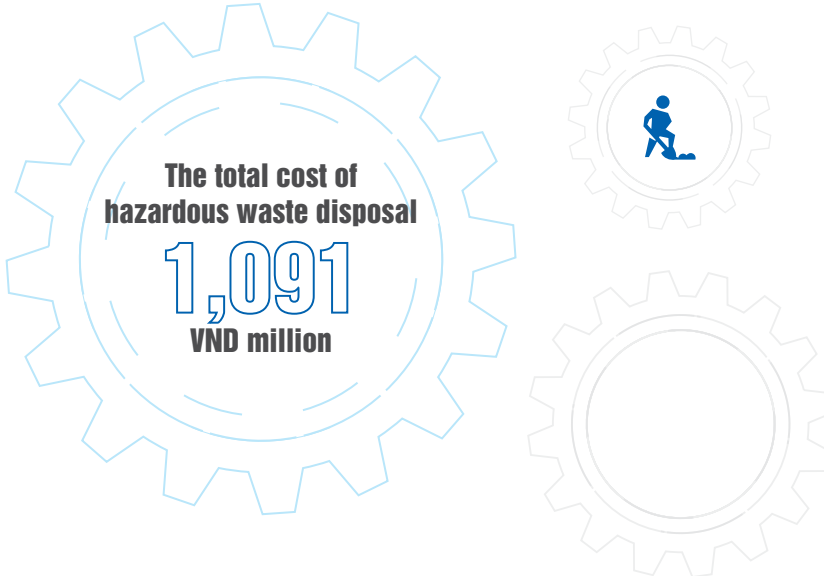
NOISE AND VIBRATION

Sources

Arise mainly from the operation of the machinery in the production area and the area of wastewater treatment systems.

Mitigation measures

Workers are periodically provided noise canceling earplugs to ensure safety standards and minimize the impact. Periodic inspection and maintenance of machinery and equipment, measuring work environment.



The solution for continuous improvement of environmental initiatives

SOLUTIONS FOR CONTINUOUS IMPROVEMENT OF ENVIRONMENTAL ACTIVITIES

- » Operate and perform regular inspection on the wastewater treatment system to ensure treated wastewater meets the standards QCVN 40: 2011/BTNMT.
» Enhance the implementation of industrial sanitation in the production area and transportation vehicles.
- » Perform cleaning of finished good import/export areas, internal roads and regular spraying in areas accumulating dust.
» Equip labor protective equipment and supervising the implementation of environmental protection of workers.
» Handling solid waste by
- collecting and handling according to regulations.
» Perform periodical environmental monitoring programs.
» Plant trees around the premise for nice landscape and fresh air.
» Use biodegradable and environmentally friendly bags as replacement for plastic bags.





# ECONOMIC CONTRIBUTIONS

In 2015, even though business experienced several difficulties and challenges, DHG Pharma still allocated a contribution to the local government at the amount of VND 356.6 billion, up 9.1% y.o.y. In which, contribution to Can Tho City was 258 billion VND.

Provide jobs and take care of almost 3,000 workers.

Sponsored 12 episodes of “Family Doctor” on VTV Can Tho, 18 episodes of “Health and Lifestyle” on Hau Giang Television, 10 episodes of “Listen to your body” on Ha Noi television, 10 episodes “For the future lives” on HTV... DHG has helped people across the country to equip with more knowledge on preventive and treatment of diseases, health protection for their families.

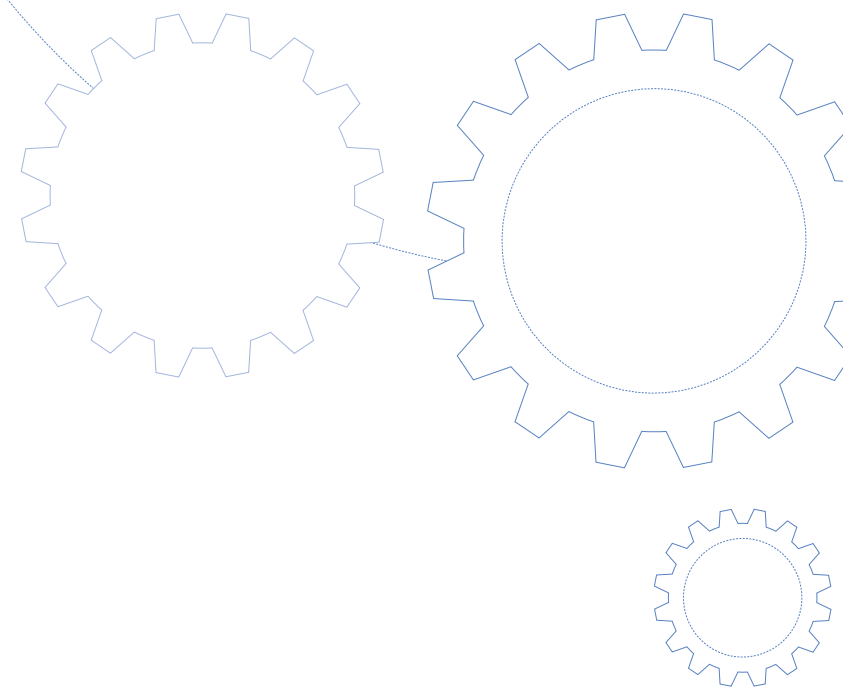
Actively participated in mass movement launched by local authorities, organized friendly tournament, arts cultural exchange within and outside of the industry. Create useful and healthy playground for workers and nurture relationships between DHG employees and local agencies.

Economic performance for shareholders in 2015

Stakeholders	Content	2015	2014
Shareholders	Dividend	VND 261.5 billion	VND 228.8 billion
The State	Contributing to the national budget	VND 356.6 billion	VND 326.6 billion
Employees	Employee’s compensation	VND 15.7 million/month/person	VND 18.9 million/month/person
Suppliers	Total value traded	VND 311.1 billion	VND 284.8 billion
Customers	Net Sales	VND 3,608 billion	VND 3,913 billion
Community	Contribution to the society and community	VND 6 billion	VND 9 billion





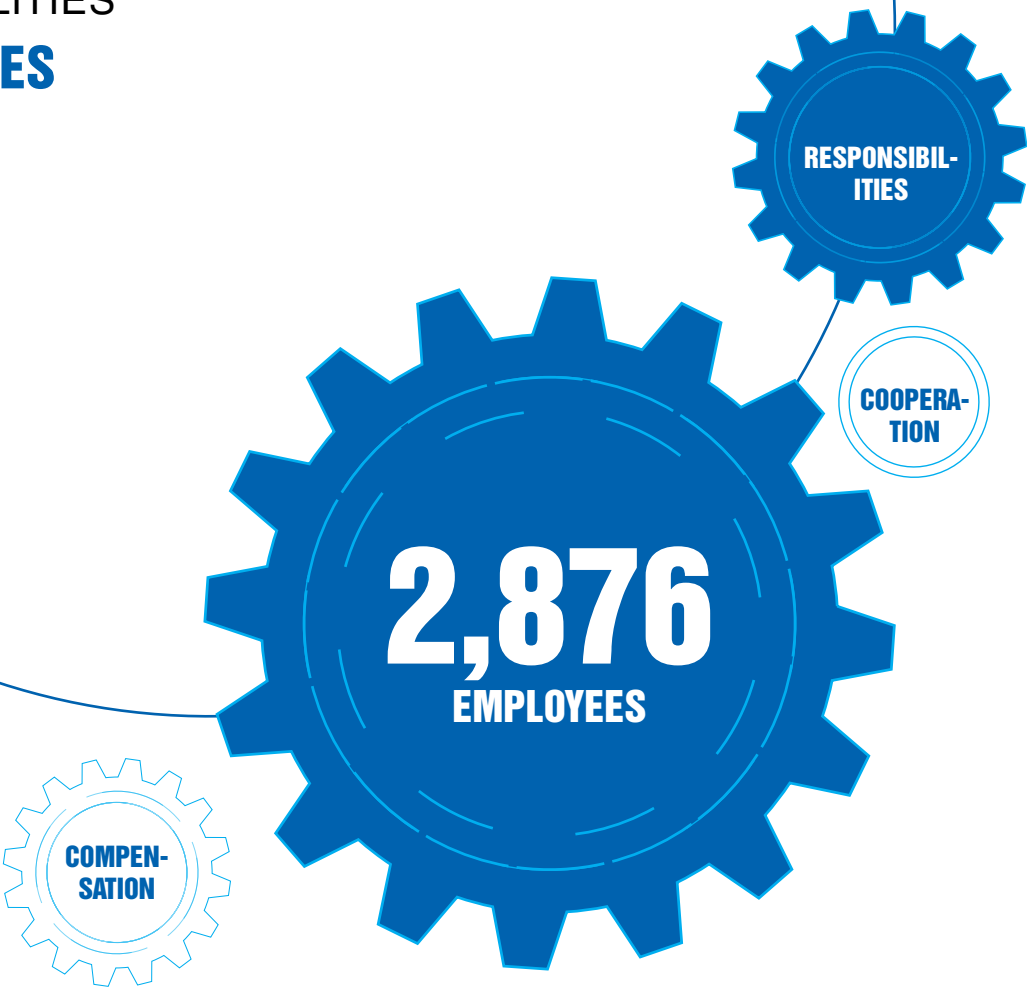


## SOCIAL ASPECTS

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# RESPONSIBILITIES TO EMPLOYEES



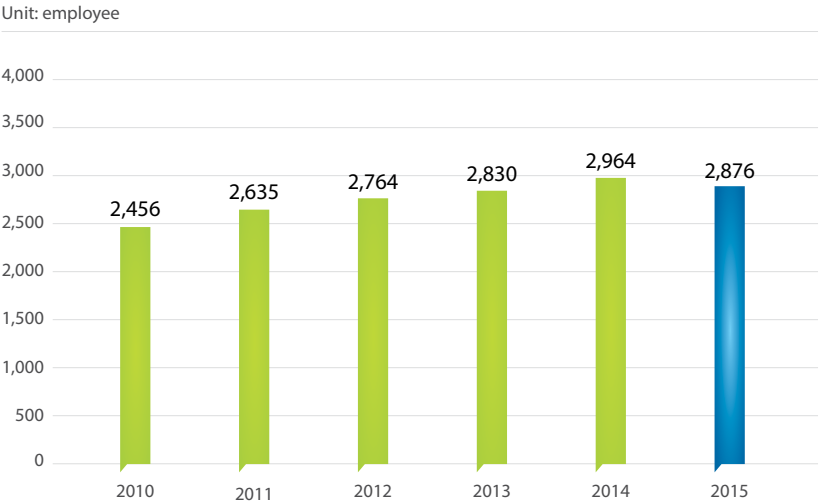
**FOR DHG PHARMA, EMPLOYEES ARE VALUABLE ASSETS. FOLLOWING “RESPONSIBILITY, COOPERATION, AND PROMOTION PRIORITIZED IN OUR MOTTO OF ACTION”. DHG PHARMA FOCUSES SUBSTANTIAL INVESTMENT FOR THE HUMAN FACTOR. THE COMPANY IS ALWAYS WORKING TO CREATE AN ENVIRONMENT OF SOLIDARITY, COMPETITION, AND HIGH LEARNING CURVE FOR EMPLOYEES TO PROMOTE CREATIVITY, DYNAMISM AND CONTRIBUTE EFFECTIVELY TO THE BUSINESS RESULTS OF THE COMPANY.**

## Human Resources Overview

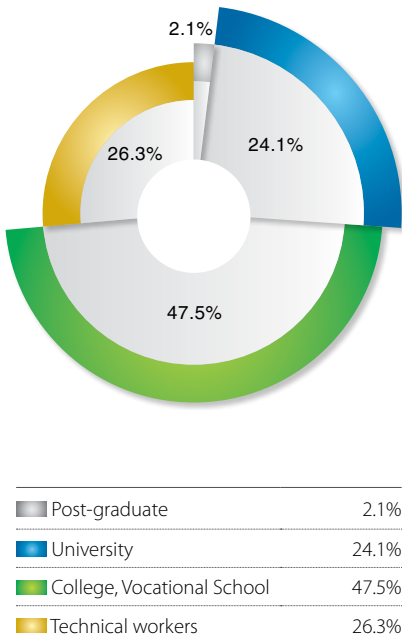
### HUMAN RESOURCES IN NUMBER

- » The number of personnel of DHG grows with the size and growth of the company over the years. However, growth in the number of personnel has slowed down in recent years due to the increase in focus of DHG in quality personnel.
- » Personnel structure by gender remained relatively stable over the years.

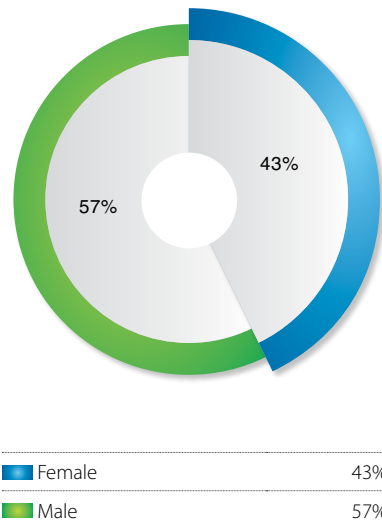
Personnel structure by functionality has moved substantially to Sales department because the Company implemented restructuring projects to a effective professional sales network.



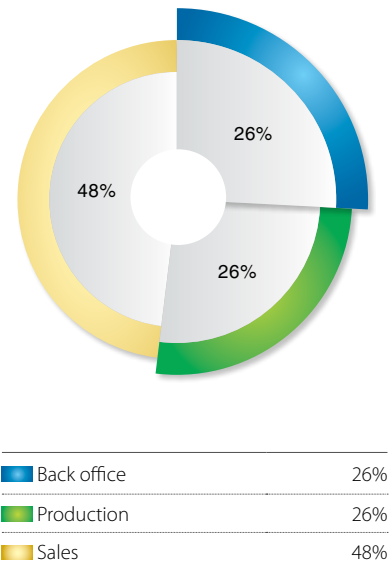
### 2015 Human Resources structure by educational level



### 2015 Human Resources structure by gender



### 2015 Human Resources structure by functionality



## RESPONSIBILITIES TO EMPLOYEES (Cont.)

OVERVIEW TABLE ON EMPLOYEES OF DHG PHARMA AND SUBSIDIARIES

Target		2014		2015	
		Number (employee)	%	Number (employee)	%
Total employees		2,964	100.0%	2,876	100.0%
Gender	Males	1,673	56.4%	1,641	57.1%
	Females	1,291	43.6%	1,235	42.9%
Occupation/ Functionality	Sales	1,447	48.8%	1,381	48.0%
	Production	754	25.4%	735	25.6%
	Back Office	763	25.7%	760	26.4%
Age group	Below 30 years old	1,635	55.2%	1,416	49.2%
	30-50 years old	1,281	43.2%	1,403	48.8%
	Above 50 years old	48	1.6%	57	2.0%
Educational Level	Graduate	59	2.0%	60	2.1%
	Undergraduate	703	23.7%	694	24.1%
	College	1,400	47.2%	1,365	47.5%
	Other	802	27.1%	757	26.3%

STATISTIC ON MANAGEMENT LEVEL

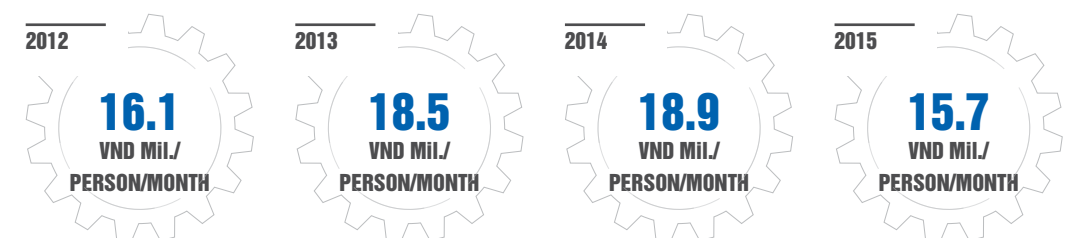
Target		2014		2015	
		Number (employee)	%	Number (employee)	%
Total of employees at Management level		78	2.6%	85	3.0%
In which:					
Gender	Males	55	70.5%	62	72.9%
	Females	23	29.5%	23	27.1%
Age group	Below 30 years old	0	0.0%	2	2.4%
	30-50 years old	61	78.2%	66	77.6%
	Above 50 years old	17	21.8%	17	20.0%

STATISTICS ON HUMAN RESOURCES FLUCTUATIONS

Target		2014 (employee)	2015 (employee)
New recruits		232	103
In which:			
Gender	Males	141	63
	Females	91	40
Age group	Below 30 years old	180	86
	30-50 years old	51	17
	Above 50 years old	1	0
Left during the year		297	275
Retired		44	31
Contract terminated (*)		253	244
Post-maternity leave		85	76
Come back to work after post-maternity leave		100%	100%

Contract terminated (\*): the Company followed appropriate regulation and law on notice period. Accordingly, contract with notice limitation is 30 days, contract without notice limitation is 45 days.

INCOME OF EMPLOYEES



in which,  
**Production department:**  
 8.8 VND Mil./Person/Month,  
**Back Office:**  
 13.7 VND Mil./Person/Month,  
**Sales department:**  
 21.8 VND Mil./Person/Month.

In 2015, compensation of DHG Pharma employees was cut to support performance and business targets, in order to balance the interests and show commitments between the employees and the shareholders..



## RESPONSIBILITIES TO EMPLOYEES (Cont.)

### Working relationship

#### IMPLEMENTATION OF DEMOCRATIC INSTITUTIONS WITH THE AIM OF ESTABLISHING HARMONIOUS RELATIONS, STABILITY OF LABOR BETWEEN EMPLOYERS AND EMPLOYEES

Collective labor agreements is signed annually (with modifications) in the employee's Conference is the commitment between the employer and the employee. Employers commit to implement the benefits, compensation, remuneration policies and create a safe, comfortable working environment for workers. Conversely, employees must ensure compliance with the regulations and the Company's internal rules.

Implementation of democratic institutions with the aim of establishing harmonious relations, stability of labor between employers and employees to: (1) create conditions for employees to know, raising ideas, making decisions and monitoring issues related to the rights, benefits, obligations and responsibilities of employees; (2) Improving the responsibilities and obligations of the Company to the employees, allowing political organization and society (Party, youth union, veterans union) of the company operates in accordance with the law in the implementation of democratic rights for workers.

Organize communication channel in the workplace first 6 months of 2015 with the following contents:

- » CEO reports on the results of operations and business production in the first 06 months of 2015.

- » The implementation of the collective bargaining agreement in 2015 on remuneration policies.

- » Explain the purpose and significance of the evaluation and grading of staff under the classification A, B, C, D of the first 6 months of 2015 the Company's staff.

- » Answering the proposed content of the employee-level meeting

To ensure the rights of workers and trade union rights, the structure of the Board member for parent company, Board members of subsidiaries always have a member as union President. Union representatives are invited to attend The monthly meetings to review leaders and to understand the clear and common strategic, operational status of the Company to explain to other members.

All employees signed employment contracts in accordance with the law and the requirements of the position.

DHG absolutely does not use child labor and forced labor.

Policies for employees (particularly for women workers) are implemented and complied with the provisions of the labor law and other regulations of the State.

### Occupational Health and Safety

#### OCCUPATIONAL ACCIDENTS, OCCUPATIONAL DISEASES

Over the years, the company leaders and trade unions of DHG Pharma are always taking care of workers. The Company regularly inspects and supervises the implementation of social insurance, unemployment insurance..., malicious fostering policy, evaluate the hazardous factors in the working environment. Thanks to the successful implementation of the policies, during the year the Company does not have any labor accidents and occupational diseases case.

Every year when planning production the Company conducts labor protection plan in order to implement measures to ensure occupational safety and health for workers.

Number of employees involved in occupational safety, fire fighting and prevention of occupational diseases: 232 people, accounting for 8.1% of total employees.

#### MEASURES TO PREVENT OCCUPATIONAL ACCIDENTS AND OCCUPATIONAL DISEASES

In the production process to prevent occupational accidents and occupational diseases the company effectively implements the following measures:



##### Technical measures

In design, eliminate these potential cause leading to occupational accidents and occupational diseases for the following production process through the following measures:

- » Provide ventilation, air conditioning for areas work in high temperature environment;
- » Dust, toxic chemicals and poison gas must be processed through the appropriate system, vacuum systems...
- » Construction of soundproofing room for the area that generate lot of noise, provide enough lighting in the work area, preferably using natural light.
- » Create a comfortable working posture, large enough working area to do the job.



##### Health measures

Employees must have full health records by the time of recruitment.

Perform periodic health check for early detection and treatment of occupational diseases.

Taking appropriate toxicity compensation, taking antidote while working in special environments.

Fixing on schedule and implement regulation on the exchange of personnel.



RESPONSIBILITIES  
TO EMPLOYEES (Cont.)



Equip personal protection tools

- » Personal protection tools are the necessary measures to help workers to minimize harmful effects from working condition and the environment such as: temperature, noise, foggy, toxic gas, others dangerous and toxic conditions...
- » Personal protection tools meet the requirements for: quality standards, usage purpose, looks and convenience.
- » Workers when equipped with personal protection tools must use in accordance with regulation when working.



Organize safe working

- » Work, organize, arrange machinery, tools to be appropriate for workers.
- » Implement reasonable working and resting hours.

LABOR PROTECTIVE EQUIPMENT

Invest VND 3.5 billion/year. Fully equipped personal protection tools from the beginning of the year as planned. Maintain regular operation and in accordance with monthly safety network officers meeting. Check the occupational safety and health, supplying adequate labor protection equipment. Monitoring the book records and forms as prescribed. Monthly cross-testing between organizational units, debriefing sessions to improve safety officers and to report to the Board of Directors.

FIRE SAFETY WORK

- » Develop and promulgate rules of fire protection, installation of billboards, full command at the target locations. Every week the company fire protection teams cooperate with the security officers to test fire pump and perform monthly check of fire extinguishers to provide inspection records and recommendations when required.
- » Equipped with backup fire pump, renovated fire plumbing, fire extinguishers for the warehouses, safety checks the fire control.
- » Organize training for fire fighting forces at each unit, propagation and dissemination of fire protection knowledge to employees, provide manual of fire extinguishers of all types, located at the location of fire-fighting tools, mapping guidance and escape plans in case of incidents.

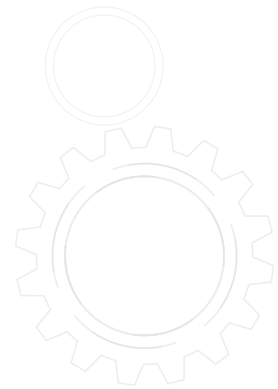
MEASURING, CHECKING THE WORKING ENVIRONMENT

Measuring method	Measuring climate data, dust, light, toxic gas, radioactive at technical location under the technical routine methods of the Institute of Occupational and Environmental Hygiene 2002 and the Ministry of Health.
Measuring devices	<ul style="list-style-type: none"><li>» Microclimate measuring machine: Air Velocity, TSI 9545 - USA.</li><li>» Light measuring machine: Lux meter, Minolta - 106 589 - Japan.</li><li>» Noise measuring machine: Sound Level Meter, Rion NL - 21, Japan.</li><li>» Breathing dust measuring machine: HD - 1100, the Environment Devices Corporation, USA.</li><li>» Radiation Measurement Machine: Measuring radiation dose rate Inspector, USA.</li><li>» Toxic gas measuring device: Measurement of toxic gas rapid detection (Precision Gas Detector Tubes) Kitagawa - Japan.</li></ul>
Mitigation measures	<p>To improve working conditions, labor safety, health and occupational disease prevention for employees, the Company is and will implement the following measures:</p> <ul style="list-style-type: none"><li>» Regular maintenance of the lighting system, install more light bulb at appropriate location to ensure sufficient light for employees to work.</li><li>» Area with high temperature will be implemented heat treatment methods, shielding the heat source, uses thermal hoods, installing artificial rain system to cool off.</li><li>» Regular maintenance of machinery, using the newer generation making less noise, shielding noise sources using sound insulation materials,... to reduce noise. Workers use earplugs or noise cancelling plugs when working in areas where noise exceeds the permitted standards to prevent occupational diseases.</li><li>» The storage area which storage and use chemicals are particularly of concerned to the company as to comply with the statutory provisions on chemicals, construction plans for preventive measures in case of incidents.</li><li>» Organize hearing examination and respiratory function for workers who exposed to loud noise and chemicals.</li><li>» Area where CO<sub>2</sub> exceed hygiene standards will be allowed the increased use of exhaust fan system, periodic inspection and maintenance to prevent CO<sub>2</sub> concentrations from exceeding the permissible standards.</li></ul>



## RESPONSIBILITIES TO EMPLOYEES (Cont.)

### Some **ACTIVITIES** on **WORK SAFETY** implemented in 2015



- 1** Participate in the national week on Work Safety and Sanitation, the green-clean-beautiful movement.
- 2** Perform environmental parameters measurements to ensure good working conditions for workers.
- 3** Trained Work Safety for 600 workers.
- 4** Trained 86 level 1 management employees (including the Board of Directors, Head/subhead of units, branch directors, subsidiaries directors) according to the regulation at Circle 27/2013/TT BLĐTBXH dated 18/10/2013.
- 5** Trained 88 workers to operate safety pressing devices, operate safety lifting machine according to the regulation at Circle 27/2013/TT BLĐTBXH dated 18/10/2013.
- 6** Work safety assessment, fire and explosion prevention and escape plan at 24 branches, 12 subsidiaries in sales department.
- 7** Perform reassessment work safety for 40% of employees (249 persons) of production and support units (randomly selected).
- 8** Perform assessment of 21 forklifting, gas pressurized cans with strict regulation on work safety.
- 9** Training, work safety, assessment fees are about VND 98 millions.
- 10** Perform check on work safety and sanitation at the Company over 300 times.
- 11** Organized periodic health examinations for 1,072 employees and 190 work medical checkups. Improve the quality of diagnosis and treatment on-the-spot 2,940 cases.
- 12** Organized first aid training - labor safety and hygiene for 103 employees.

### Employee care policies in 2015

Staff annual salary is raised according to salary policies and regulations, depending on the complexity of the tasks performed to have corresponding salary. In 2015 the average income of workers is 15,763,892 VND/person/month.

Support for staff loans - borrow when needed (repair, build a house, buy household items or difficult economic times for 166 cases, with a total amount of 5.9 billion VND); difficulty allowances, family visits for 472 employees sickness cases, in the amount of 472,282 million VND; Wedding gifts for 75 cases in the amount of 37,495 billion VND.

Poor Patients Fund support for employees and their families (wife/husband/son, grandparents) when having surgery and hospital stay, terminally ill and long-term treatment for 156 cases, at the total amount of 1.2 billion VND in aid.

From Company Welfare Fund: In addition to support 142 cases of house rental at low costs, the company also subsidizes for employees to rent houses outside at VND200,000/month/person. In order to facilitate the work of the employees, the Company Day Care Center take good care of employee's children age of 5 months - 36 months of age.

With the desire to educate and inspire the spirit of hospitality for staff to always remember the grace of birth parents, the company has organized the Vu Lan celebration to more than 1,000 parents participating, with a total cost of 580,158,000 VND.

Organized ceremony and rewarded 55 children of employees with outstanding achievements and newly graduated in the academic year 2014-2015, totaling 66.1 million VND.

Meeting of retired employees at the end of the year to appreciate the contribution of the previous generation. It also is an opportunity for retired employees to network, sharing, visiting each together. At the same time, established the retired employees association to be a connecting entity between the Company and ex-employees to keep in touch, take good care and provide support when needed.

With the desire to create an airy, clean and spacious gathering place, relaxing after fatigue working hours for employees, the company has renovated the cafeteria, with repair costs of 150 million VND and used the deposit to amortize monthly for the repair costs.

Organized the "good at public duties, excel at home" receiving good response from union members, with 100% annual participation.

Invite psychologist to talked about the topic "I become smaller when my child grow up" and seminar "Fashion and style in the workplace", in order to help women to have more knowledge in parenting and be in control of family happiness... Support cultural family, birth control.

Organize Family Festival Day (28/6) to facilitate useful playground for employees and their families. Through the contest "family member understand each other" to improve the relationship between family members.





## RESPONSIBILITIES TO EMPLOYEES (Cont.)

### Training for employees

More than 500 production staff were trained to improve in skill. In addition to the annual training plan of each unit of the company, the functional units are also involved in training skills courses on demand as needed.

Participated in the campaign "Learn and follow the example of Ho Chi Minh".

Organized the trainings for 67 union officials, to enhance organizational skills.

Encouraged staff members to participate in legal contests: Planning of consultation for the draft amendment of the Criminal Code (No. 400/KH-LDLĐ).

Promote innovations in the workplace finished at 12/2015 for employees to participate, there were 655 improvement ideas, of which 269 ideas are feasible, innovative studies of 36 new products in 2015, put into production: 36 products. Improvements to adjust production processes: 12 products.

Total hours of training for deputy managers, key officials and

employees is 69.22 hours (63.98 hours per/person/year). The company's average is 59.5 hours/person.

Trained Sales staff with a total of 66.96 hours of training hours (average 55.5 hours/person/year). Training new employees for a total of 23.94 hours of training hours (average 272 hours/person).

**655**  
IMPROVEMENT  
IDEAS

**59.5**  
HOURS/PERSON  
THE COMPANY'S  
AVERAGE





## RESPONSIBILITIES TO EMPLOYEES (Cont.)

### The **CAPACITY DEVELOPMENT ACTIVITIES**

**IN ADDITION TO SKILLS TRAINING, TECHNICAL KNOWLEDGE TRAINING, TO CREATE A COHERENT, INNOVATIVE AND TO CREATE INCENTIVES FOR THE PEOPLE TO PARTICIPATE AND TO BECOME LOYAL TO THE COMPANY, THE MOST IMPORTANT ISSUE IS THE FORMING OF CULTURAL IDENTITIES AND EDUCATE EMPLOYEES TO FOLLOW THAT CULTURE, IT IS THE COMPETITIVE ADVANTAGES OF THE COMPANY IN THE MARKET.**

#### CULTURAL AND IDENTITY EDUCATIONAL ACTIVITIES FROM DHG PHARMA

Committing to the mission and core values in the historic moments of the country, on the birthday of the Company, the Lunar New Year, creating a consensus on implementation of goals and vision, company mission.

Allow all employees to participate in formulating corporate strategy through the competition "if I am CEO of DHG Pharma".

Internal Branding: Building tale of DHG and educate to employees, customers; launched the competition of billboard posting, yearbook articles; compile internal newsletters, build internal news portal, internal mail, issue employee handbook,...



Striving movement was launched 2-3 times/year. Playing the union role of, organizing thematic meetings, workshops, exchanges, cultural shows, sports, game shows (Gold Bell Ringing, Face off...) to traditional education, social update knowledge, expertise, products learning, enhancing the value of spiritual and physical training.

Through camping and picnic activities, the training program was implemented for each group simultaneously: Leaders, Marketing, Production, Sales, Back Office, Party members, Youth Union. In particular, picnic training activities with intellectual and physical game and to enhance creativity, team spirit, inspire enthusiasm for the workers, improve their ability to work under pressure and overcome challenges in life.

Educate staff to share the sense of community, family values. All

employees have the responsibility to contribute to 3 funds: charity, assistance and protection for poor patients (after deduction of social insurance and unemployment insurance). Income from 3 million or below contribute 0.5%. Income of 3-5 million contribute 1%, income from 5 million or more contribute 1.5%.

Build images and DHG Pharma brands to customers' mind and the community.

Developing the future generations of DHG Pharma through staffs' children training programs (army semester, the summer experience,...).

Organizes homeland excursions (Ca Mau) revisit the birthplace of the company, DHG Pharma leadership meetings, visiting older generations on holidays: Because the past is a legacy, foundation for development, inspired pride to each member.

**Educate staff to share the sense of community, family values. Build images and DHG Pharma brands to customers' mind and the community.**

Other activities: Salute the flags at the beginning of the month, traditionally torch transferring of Youth union, held traditional holidays, visit the martyrs cemetery once each year, employees when travel to Hanoi for work to visit Ho Chi Minh's Mausoleum...





# SOCIAL ACTIVITIES

**FOR OVER 4 DECADES, DHG PHARMA HAS ALWAYS INTERESTED AND REGULARLY PARTICIPATED IN COMMUNITY-ORIENTED SOCIAL ACTIVITIES - THESE ACTIVITIES ARE GROWING BOTH IN QUALITY AND QUANTITY TO IMPROVE THE QUALITY OF LIFE.**



In conjunction with the working toward business and strategic goals, DHG Pharma always focuses on the responsibility of a business to society. For over 4 decades, DHG Pharma has always interested and regularly participated in community-oriented social activities - these activities are growing both in quality and quantity to improve the quality of life. Through volunteer work, gifts giving, even though small in value, it has shown the compassionate from all the employees of DHG Pharma for a more beautiful and humane society.



## SOCIAL ACTIVITIES (Cont.)

**In 2015, DHG has contributed 6 billion VND to the following community activities:**

One of the annual activities of DHG volunteers associated with the health care program for people is "free medical care provided". In 2015, the Company has successfully held 138 programs for 58,790 people in cities across the country and 2 programs in Cambodia.

Launch the campaign for staff to donate 1 day salaries to "Gac Ma - Truong Sa Monument" and "Building clinics in Truong Sa" in the amount of VND 267,000,000. 1 day salary donation for "Day for the Poor" in the amount of VND 558,463,000.

Local trade union organized monthly visit and offer each elder people a nutritious meal at the seniors Center, Binh Thuy district; weekly cooking nutritious food for the children at the center for orphaned of Can Tho City. In addition, the union also organized visits and give gifts for Tet Holiday at these 2 center in the amount of VND 70,960,000.

Visited and provided support for 4 case of disadvantaged, at VND 5,000,000 per person. Victims of natural disasters are floods in Quang Ninh in the amount of 200 million VND.

Together with the Labor Union of Can Tho City, visited soldiers newly enrolled in the Regiment 303 and Can Tho police training center, give 1 Television to each facility worth VND 10,000,000 for soldiers to update on news and relax after hours of strenuous training.

Donated 100 gifts worth VND 200,000 each for poor students in remote areas following the distribution plan of the Labor Federation of Can Tho City.

Donated 60 gifts to the poor family's grandchildren in An Hoa Ward for

Mid-Autumn Festival occasion, in the amount of VND 6,000,000.

In the spirit of solidarity, employees of DHG Pharma contributed to the "golden hearts Fund" in the amount of 118,820,000 VND, the act of raising the piggy bank for Poor Patients Fund, totaling 1.9 billion.

Establishing blood donor clubs with over 500 members willing to donate blood and stored at the hematology center of Can Tho City. During the year, 165 people participated in blood donation, with a total of 211 units of blood.





## COMPLIANCE

### THE COMPANY COMPLIES WITH THE REGULATIONS ON ENVIRONMENTAL LAWS AND WITH THE PROGRAM GUIDELINES OF ENVIRONMENTAL MANAGEMENT AGENCIES AND AUTHORITIES.

DHG Pharma complies with laws, regulations and ethical standards. All activities and transactions relating to the law are monitored, evaluated and reviewed by the legal division of the company to comply with the provisions of law and the institutions involved.

DHG Pharma respects all fundamental human rights. In any circumstance, absolutely DHG Pharma wages abuse or misuse of child labor, no forced labor.

DHG Pharma does not discriminate any shareholder, customers or employees on any nationalities, ethnicity, gender, or religion basis.

In 2015, there were no significant fines incurred related to non-compliance with the law and regulations.

Product quality control and testing has always been taken seriously at DHG because of the prestigious reputation with customers and for the health of the customers.

All waste sources are sorted, controlled and handled in accordance with regulations in order to minimize the impact on the surrounding environment. All employees are to uphold the DHG spirit of saving, protecting the environment, raising the "green - clean - beautiful" awareness.



## ANTI-CORRUPTION

### DHG PHARMA DETERMINED TO BECOME A REPUTABLE AND PROFESSIONAL COMPANY, GUIDED BY THE RIGHT AND APPROPRIATE POLICIES, BY ETHICAL PRINCIPLES, IN ACCORDANCE AND COMPLIANCE WITH THE LAW, TO MEET THE EXPECTATIONS OF OUR PARTNERS AND CUSTOMERS.

Regarding the fight against corruption: The Party of the Company has established departments to perform anti-corruption practices leading by the Party Secretary of the Company. The Party practices of DHG Pharma is affiliated with the Enterprise Party group. Every year, Can Tho city Inspection Commission of Enterprise Party group performed periodic inspections to monitor closely and taking appropriate anti-corruption measures.

Also, during the meetings DHG also raises awareness and upholds responsibility in the fight against corruption in all production and business activities of the Company. In addition, the Board of Directors of the Company distributed and updated the provisions of the law relating to the prevention/fighting corruption to all employees.

Therefore, in 2015, no employees of DHG Pharma was involved in any corruption case.





# RESPONSIBILITIES WITH PRODUCTS



**PRODUCT INFORMATION, USAGE, BENEFITS AND SIDE EFFECTS ARE PRINTED CLEARLY ON PACKAGE. THE PRODUCTS BRANDS ARE ADVERTISED FREQUENTLY TO INCREASE CONSUMER AWARENESS, AVOID USING COUNTERFEIT PRODUCTS.**

## Intellectual property and brand investment

Product information, usage, benefits and side effects are printed clearly on package. The products brands are advertised frequently to increase consumer awareness, avoid using counterfeit products. Beside introducing quality products to consumers, PR activities also educate consumers to know how to use medicine, preventing and treating of diseases, and self taking care of.

Within 279 products with registration numbers (234 pharmaceutical products, 45 dietary supplements), there are 244 products that were granted protection trademarks by the Intellectual Property Department of Vietnam.

## Bioequivalence testing

For doctor and consumers to have peace of mind, the company has successfully performed bioequivalence testing of products at the Central Institute of Drug Testing. Products achieved bioequivalence of the Company only cost about 35%-50% of the price of the original drug, with the same treatment effects.



## Investment in science and technology

Responsibilities with products are also demonstrated through the dedication on research and development of products with high quality biotechnology ingredients, self-research or cooperate with University institutes, link research to real life applications, applying biotechnology in mixing, replacing chemical ingredients with natural ingredients, strive for the pharmaceutical industry development - increase income level of Vietnamese workers via the organization and planting of raw materials; bringing consumers safe, effective, inexpensive, convenient products, as well as developing other industries.

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**PRODUCTS THAT WERE GRANTED PROTECTION TRADEMARKS BY THE INTELLECTUAL PROPERTY DEPARTMENT OF VIETNAM**

## Product labeling

All DHG Pharma products are clearly labeled, with products information such as: composition, mechanism, benefits, usage, side effects, to help consumers understand the product clearly.



## RESPONSIBILITIES WITH PRODUCTS (Cont.)

### Description on quality control procedures



Beside complying with ISO/IEC 17025, GMP-WHO, GLP, GSP, GDP, GPP standards, during the production, storing, distribution of products, the Company always complies to the regulation of the ministry of Health, Vietnam Drug Administration, Ministry of Food Safety and Sanitation, and Health Care local branches.

The quality control procedures are performed with control and testing activities. Control of the entire

production process and testing of raw materials input (raw ingredients, packaging) and output (finished goods) of product. At first, all raw materials and packages purchased must be tested before entering the raw ingredients warehouse and start using for production. During the manufacturing process, lab inspectors exercise control throughout the process: weighting ingredients, mixing, tableting, packaging etc. At the end of each stage, the sample will be

collected and taken to the laboratory conducting the sample. For the form, volume, the disintegration, the tightness, the inspectors will perform laboratory testing in controlled test room in the factory. After completing the processing, batch records are approved to switch to bottled stages/ Blister/laminated package/packaging products. Samples of finished products will continue to be taken for testing and transfer to finished products warehouse.

### Handling products inquiries and complaints

The Company handles products questions and complaints through a hotline (mostly feedback), and through the sales staff of the Company (primarily pharmacies, hospitals, doctors feedback).

The content of inquiries and complaints are usually 2 main issues:

- » Product quality: according to the procedure, after receiving the information, the Company will take sample in the batch receiving complaints, cross-check with the batch number, date of manufacturing to confirm the information. If the information is

correct, the Company will perform recall measure and respond to customer. Usually the quality gets compromised because of the way the customer store products not meeting the recommended temperature and humidity.

- » Answer inquiry, complaints on drug usage, benefits and provide instructions (this information usually received in the hotline) Hotline representative will provide advice, answer inquiries, record and compile quarterly report. In special circumstance he/she will notice the respective unit and leadership.



### Description on product recalling procedures

**ACCORDING TO TEST RESULTS, THE UNQUALIFIED MEDICINE LOT THAT IS ALREADY SHIPPED BUT NOT YET DISTRIBUTED WILL FOLLOW THE UNQUALIFIED PRODUCT CHECK PROCEDURE. IF THE UNQUALIFIED BATCH WAS DISTRIBUTED THE COMPANY WILL PERFORM PRODUCT RECALL PROCEDURES.**



Procedure on drug recall: the CEO will sign the decision when (1): there is a recall decision from Ministry of Drug Administration/ Health Care Ministry/Testing

centers or (2) when drugs do not meet the required quality during the monitoring of sample, the humidity of drugs, or (3) complaints from customers deemed to be valid or (4) when detecting harmful side effects. After signing the recall decision, there will be a recall task force, start working immediately, prepare recalling form, treating of recalled products, prepare and store report. In the dangerous case of severely damaged and affecting the life of consumers, the recall will be performed at the latest of 24 hours. In the case of affecting the effect of treatment and usage safety, the recall will be performed within 10 days. In the case of no effect or limited effect on treatment and safety usage, recall within 15 days.



## STANDARDS APPLIED BY THE COMPANY

### The plant at 288 Bis Nguyen Van Cu Str., Ninh Kieu Dist., Can Tho City

YEAR	CERTIFICATION/RECOGNITION STANDARDS	PRODUCTION AREAS
<b>GMP GLP GSP</b>		
1998	GMP ASEAN certification	Non $\beta$ -lactam and $\beta$ -lactam solid drug production line
2000 2002 2004	Re-certified GMP ASEAN, GLP, GSP	Non $\beta$ -lactam and $\beta$ -lactam solid drug production line
2004	GMP ASEAN, GLP, GSP certifications	Liquid, cream medicine production lines. Eye drops, nose drops.
2006	GMP WHO, GLP, GSP certifications	Solid, soft capsules medicine production lines (non $\beta$ -lactam and $\beta$ -lactam). Liquid, cream medicine production lines. Eye drops, nose drops.
2008 2010	Re-certified GMP WHO, GLP, GSP	Solid, soft capsules medicine production lines (non $\beta$ -lactam and $\beta$ -lactam.) Lotion, cream medicine production lines. Eye drops, nose drops.
2011	GMP WHO, GLP, GSP certifications	Soft capsules production line
2013	Re-certified GMP WHO, GLP, GSP	Solid, soft capsules medicine production lines (non $\beta$ -lactam and $\beta$ -lactam). Liquid, cream medicine production lines. Eye drops, nose drops.
2014	GMP WHO, GLP, GSP certifications	Solid, liquid, herbal soft capsules medicine production lines
<b>GDP</b>		
2008	GDP certification	
2010 2013	Re-certified GDP	Warehouse: distribution of finished products
<b>ISO/IEC 17025</b>		
2000	ISO/IEC Guide 25 recognition	
2002	ISO/IEC 17025 recognition	
2005		
2008 2011 2014	ISO/IEC 17025 re-recognition	Inspection Laboratories

### The plant at Tan Phu Thanh Industrial Park, Hau Giang province

YEAR	CERTIFICATION/RECOGNITION STANDARDS	PRODUCTION AREAS
2013	GMP WHO, GLP, GSP certifications	Non $\beta$ -lactam solid drug production line
2015	GMP WHO, GLP, GSP certifications	$\beta$ -lactam solid drug production line
	ISO/IEC 17025 recognition	Inspection Laboratories



## REFERENCE TABLE

# ACCORDING TO GRI G4 STANDARDS

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
GENERAL STANDARDS			
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	CEO's message on sustainable development.	page 4 - 5
G4-2	Provide a description of key impacts, risks, and opportunities.	Target and direction for sustainable development	page 18 - 19
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization	Company Overview	page 9
G4-4	Report the primary brands, products, and services.	Business line and products portfolio	page 15
G4-5	Report the location of the organization's headquarters.	Company Overview	page 9
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Business location	page 16 - 17
G4-7	Report the nature of ownership and legal form.	History of founding and development, operating model, organizational chart, shareholder structure.	page 12 and page 22 - 28
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Business line and location	page 15 - 17
G4-9	Report the scale of the organization	Company Operating model Ratios on the scale of DHG Pharma	page 14 and page 22 - 27
G4-10	Report on the workforce	Overview on Human Resources	page 71 - 72
G4-11	Report the percentage of total employees covered by collective bargaining agreements.		
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	No significant changes	page 22 - 25
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Risk management	Annual report page 78 - 85
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Awards and Certifications	page 13

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organization's consolidated nancial statements or equivalent documents. Report whether any entity included in the organization's consolidated nancial statements or equivalent documents is not covered by the report.	Operation results of subsidiaries	Annual report page 34 - 35
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Ways to identify the contents of the report.	page 36
G4-19	List all the material Aspects identified in the process for defining report content.	Overview on sustainability report	page 36
G4-20	For each material Aspect, report the Aspect Boundary within the organization		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Overview on sustainability report Evaluation on critical areas	page 36 and page 32 - 33
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	The Sustainable Relationship with stakeholders: » Customers, consumers » With Shareholders and Investors » With Employees » with Competitors » with Suppliers » with The Government, State agencies » with Media	page 37 - 43
G4-25	Report the basis for identification and selection of stakeholders with whom to engage		
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Procedures on receiving feedbacks from stakeholders	page 30 - 31
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.		

## REFERENCE TABLE

### ACCORDING TO GRI G4 STANDARDS (Cont.)

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
<b>REPORT PROFILE</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Fiscal year from 1/1/2015 to 31/12/2015.	page 36
G4-29	Date of most recent previous report.	2014 (Including one chapter on contents of the Sustainability Report)	
G4-30	Reporting cycle	Annually	page 36
G4-31	Provide the contact point for questions regarding the report or its contents.	Contact information	page 36
G4-32	Report the “in accordance” option the organization has chosen.		
	Report the GRI Content Index for the chosen option.	G4 content reference table	page 96 - 103
	Report the reference to the External Assurance Report, if the report has been externally assured.		
<b>GOVERNANCE</b>			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	BOD activities and related committees	Annual report page 146 - 154
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Stakeholders consultation	page 30 - 31
G4-38	Report the composition of the highest governance body and its committees	Introduction to the member of the BoD, BOM, SB	Annual report page 36 - 41
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Chairman of the BOD, not participating in management	page 96 - 103
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Regulations on Corporate Governance and the Company's Charter contains provisions on the “Responsibilities on honesty and avoidance of conflicts of interest of the Members of the BOM, SB, BOD, Management Officers”.	Annual report page 158
		Moral Value of the Company.	page 29

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	The role of the highest governing body in the mission statement, strategies, policies and objectives relating to the impact of economic, environmental and social.	page 10 - 11 Annual report page 68 - 71
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The strategic objectives and strategic solutions group from 2016 to 2020.	Annual report page 70 - 75
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	The role of the highest governing body in reviewing the effectiveness of the risk management process.	Annual report page 78 - 85
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	The meetings of the Board of Directors are held monthly/quarterly. The content of the meeting and number of related members participated in the meetings.	Annual report page 146 - 149
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Chairman of the Board held the highest position in the review and approval of the content of the Sustainability Report. Editorial Board in charge of drafting the report and submit content for approval.	page 36
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Ethics and Integrity	page 44 - 49
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Corporate culture, Core Values and Code of Conduct	
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
G4-DMA	Generic disclosures on management approach.	Goals and sustainable development orientation.	page 18 - 19
G4-EC1	Direct economic value generated and distributed.	Economic results achieved and joint activities to contribute to the general local economy.	page 14 and page 66
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Contribution to economic, social community.	page 66 and page 84 - 87



## REFERENCE TABLE

### ACCORDING TO GRI G4 STANDARDS (Cont.)

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
INDIRECT ECONOMIC IMPACTS			
G4-EC7	Development and impact of infrastructure investments and services supported	Indirect economic impact, job security for workers, contribution to the society and economy.	page 66 and page 84 - 87
G4-EC8	Significant indirect economic impacts, including the extent of impacts.		Annual report page 176 - 181
CATEGORY: ENVIRONMENTAL			
MATERIALS			
G4-EN1	Materials used by weight or volume.	Materials resource management.	page 52
ENERGY			
G4-EN3	Energy consumption within the organization.	Energy sources	page 53 - 54
G4-EN5	Energy intensity.		
G4-EN6	Reduction of energy consumption.		
G4-EN7	Reductions in energy requirements of products and services.		
WATER			
G4-EN8	Total water withdrawal by source.	Water sources	page 55
G4-EN9	Water sources significantly affected by withdrawal of water.		
G4-EN10	Percentage and total volume of water recycled and reused.		
EMISSIONS			
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	Prevention and anti-pollution policies.	page 56 - 63
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Reduced power consumption contributes to lower emissions to the surroundings.	page 53 - 54
G4-EN21	NOx, SOx, and other significant air emissions	Prevention and anti-pollution policies.	page 56 - 63

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
EFFLUENTS AND WASTE			
G4-EN22	Total water discharge by quality and destination.	Effluents, waste, wastewater, noise and vibration.	page 58 - 62
G4-EN23	Total weight of waste by type and disposal method.		
COMPLIANCE			
G4-DMA	Generic disclosures on management approach.	Compliance	page 88
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		
OVERALL			
G4-EN31	Total environmental protection expenditures and investments by type.	The solution to improve environmental performance	page 56 - 63
CATEGORY: SOCIAL			
LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	Generic disclosures on management approach.	Responsibilities to employees.	page 70 - 83
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Workforce overview.	page 70 - 73
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		
G4-LA3	Return to work and retention rates after parental leave, by gender.		
LABOR/MANAGEMENT RELATIONS			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Labor Relations.	page 74

## REFERENCE TABLE

### ACCORDING TO GRI G4 STANDARDS (Cont.)

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
OCCUPATIONAL HEALTH AND SAFETY			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Occupational accident and diseases.	page 74
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Occupational Health and Safety.	page 75 - 79
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.		
G4-LA8	Health and safety topics covered in formal agreements with trade unions.		
TRAINING AND EDUCATION			
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Training and Education.	page 80 - 81
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Education and training. The capacity development activities.	page 80 - 83
DIVERSITY AND EQUAL OPPORTUNITY			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Labor force table, statistics and statistical management of personnel changes by gender and age.	page 72 - 73
CHILD LABOR			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	DHG committed to never use child labour.  Compliance	page 74 and page 88
FORCED OR COMPULSORY LABOR			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	DHG Pharma is against the abuse of low wages and forced labor.  Compliance	page 74 and page 88

GRI INDEX	INFORMATION ANNOUNCEMENT	REPORT CONTENT	PAGE
SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	Generic disclosures on management approach.	Social activities.	page 84 - 87
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Reports related to the responsibility to the local community.	page 84 - 87 Annual report page 180 - 181
ANTI-CORRUPTION			
G4-DMA	Generic disclosures on management approach.	Anti-corruption.	page 89
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.		
G4-SO4	Communication and training on anti-corruption policies and procedures.		
G4-SO5	Confirmed incidents of corruption and actions taken.		
COMPLIANCE			
G4-DMA	Generic disclosures on management approach.	Compliance	page 88
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
G4-DMA	Generic disclosures on management approach.	Put quality, safety, effectiveness as DHG's highest commitment	page 11 and page 47
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Product responsibility.	page 90 - 95
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Standards currently applied by the Company.	
PRODUCT AND SERVICE LABELING			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Product responsibility. All DHG Pharma products are clearly labelled.	page 90 - 93



# DHG PHARMA

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