

# Towards sustainable values

The core strengths enable FPT to accompany the Government, localities, organizations, businesses, and citizens nationwide to stay resilient to challenges, share our success, and create the most value toward building prosperous lives and a stronger nation.



# ESG REPORT

## ESG Activities

### Activity highlights

#### THE HAPPY WORKPLACE

TOP 100

BEST PLACES TO WORK IN VIETNAM

42,408

STABLE JOBS

3,414,168

HOURS OF IN-HOUSE TRAINING WITH A COURSE COMPLETION RATE OF UP TO 99.6%

#### THE ENVIRONMENTAL ACTIVISTS

70,000

E-CONTRACTS, 40% THE AMOUNT OF PAPER NEEDED TO PRINT CONTRACTS

4,500

VIRTUAL MEETINGS

#### CORPORATE SOCIAL RESPONSIBILITY

7,112

BILLION VND OF CONTRIBUTION TO THE STATE BUDGET

171

BILLION VND OF CSR SPONSORSHIP

47,777

BENEFICIARIES

2,138

UNITS OF BLOOD DONATED

100

HAPPY HOUSES

250

BRIDGES FOR STUDENTS IN RURAL AREAS

200

COVID-19 ORPHANS TO ENTER THE HOPE SCHOOL

## About the report

2022 was the second year that FPT carried out the Environment - Social - Governance Report (ESG Report) to deliver comprehensive details on ESG activities as well as to further affirm its commitments to sustainable development.

This report was published for the term of January 1 to December 31, 2022, within the Corporation and its subsidiaries in Vietnam as well as other key markets and is based on the GRI Standards of the Global Reporting Initiative (GRI). In preparation for this report, we cited the Guide to the Publication of Environmental and Social Information issued by the State Securities Commission (SSC) in cooperation with the International Finance Corporation (IFC). Also, we referred to the National Action Plan to implement the 2030 Agenda for Sustainable Development and "Our World Transformation: Agenda 2030 for Sustainable Development", which was adopted by the United Nations General Assembly in September 2015 (including United Nations' 17-millennium goals towards sustainable development).

The report was built on the principles of inclusiveness, clarity, relevance in current affairs, and reliability.

The report was carried out by the Marketing & Communications Department of FPT.

For any inquiries or feedback related to FPT's sustainable development activities and the ESG report, please contact:

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## ESG orientations and priorities

ESG orientations and priorities are vital to FPT's development strategies, conveying its roles and responsibilities to key stakeholders.

Therefore, when establishing priority action plans on ESG, FPT has researched and referenced the most widely-used sustainable development standards employed by other businesses and countries. In the report, based on FPT's business characteristics, we chose some GRI Standards and 17 sustainable development goals of the United Nations for reference when identifying critical issues and action plans. In doing so, we aimed to bring the highest possible value to stakeholders, ensure our sustainable growth, and to strongly contribute to the development of the national economy.



## Criteria among GRI Standards and 17 sustainable development goals of the United Nations for reference

Criterion/Objective	FPT's approach and priority	Results
<b>No Poverty</b> <ul style="list-style-type: none"> <li>GRI 413 - Local communities</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring steady employee income, contributing to raising the average IT salary and the overall national income level.</li> <li>Accompanying the community in improving overall quality of life.</li> </ul>	<ul style="list-style-type: none"> <li>The number of employees increased by 14.1% over the same period last year.</li> <li>Sponsorship to the value of 171 billion VND in CSR activities.</li> <li>Giving more than 100 Happy houses to Vietnamese Heroic Mothers, families under preferential treatment, and low-income households.</li> <li>Constructing 250 bridges in rural areas for students.</li> </ul>
<b>Good health and well-being</b>	Deploying technology solutions to support smart medical development.	<ul style="list-style-type: none"> <li>Increasing access and improving health treatment quality of more than 300 hospitals and medical facilities nationwide through FPT's overall hospital management system.</li> <li>Accelerating the formation of physical exercise habits among the community by organizing major national marathons and developing an online sports platform named VRace which has attracted nearly 100,000 users to date.</li> </ul>
<b>Quality Education</b> <ul style="list-style-type: none"> <li>GRI 404 - Training and Education</li> </ul>	<ul style="list-style-type: none"> <li>Pioneering in creating an advanced, learner-centered educational environment.</li> <li>Providing opportunities to develop lifelong positive learning tendencies for learners.</li> </ul>	<ul style="list-style-type: none"> <li>FPT education is to bring learning activities and programs for more than 100,000 full-time equivalent students at all levels from primary through to graduate schools.</li> <li>Awarding 12,509 talent scholarships.</li> <li>Conducting more than 3,4 million hours of in-house training for employees.</li> <li>Opening the Hope School - The boarding school for orphans due to Covid-19. 200 students from 41 provinces enrolled in the first academic year.</li> </ul>
<b>Gender equality</b> <ul style="list-style-type: none"> <li>Reduced inequalities</li> <li>GRI 405 - Diversity and equal opportunity</li> <li>GRI 406 - Non-discrimination</li> <li>GRI 407 - Freedom of Association and Collective Bargaining</li> </ul>	Non-discrimination and offering development opportunities for all employees.	<ul style="list-style-type: none"> <li>100% of employees participated in the collective labor agreement.</li> <li>The number of female employees increased by 17% over the same period and accounted for 38.1% of the total. Especially the number of female managers and leaders which grew by 19.6% over the same period, accounting for 34.6% of the total managerial positions.</li> <li>In 2022, FPT's BOD had one more female member to ensure gender diversity. In addition, subsidiaries and affiliates had three female chairpersons.</li> </ul>
<b>Clean water and sanitation</b> <ul style="list-style-type: none"> <li>GRI 303 - Water</li> <li>GRI 306 - Effluents and waste</li> <li>GRI 307 - Environmental Compliance</li> </ul>	Focusing on building a green work environment with eco-friendly campuses and office buildings nationwide.	<ul style="list-style-type: none"> <li>FPT's buildings have been monitored periodically for domestic wastewater and have their daily-controlled wastewater treatment systems.</li> <li>Regularly conducting communication methods to encourage energy conservation with display banners and posters in noticeable areas.</li> </ul>
<b>Affordable and clean energy</b> <ul style="list-style-type: none"> <li>GRI 302 - Energy</li> <li>GRI 305 - Emissions</li> </ul>		<ul style="list-style-type: none"> <li>Annually measuring the temperature, humidity, light, electromagnetic fields, and CO2 in all our workplaces.</li> <li>Reducing the use of lighting on the building's exterior and using smart control devices.</li> </ul>

Criterion/Objective	FPT's approach and priority	Results
<b>Decent work and economic growth</b> <ul style="list-style-type: none"> <li>GRI 201 - Economic performance</li> <li>GRI 401 - Employment</li> <li>GRI 403 - Occupational health and safety</li> </ul>	Ensuring economic growth and job opportunities.	<ul style="list-style-type: none"> <li>2022 witnessed positive business outcomes with growth rates of 23.4% in revenue and 20.9% in profit before tax.</li> <li>Offering stable jobs to 42,408 people domestically and globally.</li> <li>Always being amongst the top companies with the best work environment.</li> <li>Implementing the FPT Care health care program for employees and their relatives.</li> </ul>
<b>Industry, innovation, and infrastructure</b> <ul style="list-style-type: none"> <li>GRI 203 - Indirect economic impacts</li> </ul>	Investing, researching, developing, and providing solutions, products, and services that provide extraordinary experiences and value to individuals and businesses.	<ul style="list-style-type: none"> <li>The Internet infrastructure covers all 63 provinces and cities nationwide.</li> <li>9,200 km of the North-South backbone axis and international telecommunications cables, providing services to millions of domestic users.</li> <li>The Made by FPT ecosystem with more than 200 products, services, and solutions that enhance labor productivity and customer experience while optimizing costs.</li> </ul>
<b>Sustainable cities and communities</b>	Investing in research and development of intelligent traffic management and smart city solutions...	<ul style="list-style-type: none"> <li>Deploying and operating the railway e-ticket system for the Vietnam Railways Corporation, helping people purchase tickets and search for detailed information on all routes anytime and anywhere via multi-channels such as text messages, mobile applications, Email, digital display boards at the stations and on the trains.</li> <li>The smart traffic control solutions named FPT.iTransp has been deployed widely, transforming local traffic in Ho Chi Minh City, Dong Nai, Binh Dinh, Can Tho...</li> </ul>
<b>Partnership for the goals</b>	Promote the development, transfer, and dissemination of green technologies.	<ul style="list-style-type: none"> <li>Deploying smart factory solutions for a traditional manufacturer in the German automotive industry with 77 plants globally.</li> <li>Deploying a wind power management solution to optimize operational and maintenance practices in wind farms of a European energy company.</li> <li>Developing charging station management software and embedded software running on charging stations to solve the problem of optimal management and electricity consumption.</li> </ul>

## Stakeholder engagement

Stakeholders are defined as those who influence or are influenced (to a certain extent) by FPT's business activities. Therefore, stakeholders' information, feedback, demands, and concerns are key factors affecting our mindset and actions in managing and operating FPT's operations as well as developing long-term development strategies. FPT is committed to accompanying stakeholders to make happier lives and better workplaces based on innovative technology solutions, products, and services.

Its seven-key stakeholders include customers, shareholders and investors, employees, government agencies, partners and suppliers, the community, and the press and media.

## Customers

Activity highlights	2022 results
Promoting strategic consultation services; Moving upwards to higher stages of the technology service value chain	<ul style="list-style-type: none"> <li>14 provinces and cities cooperated with FPT on promoting comprehensive digital transformation.</li> <li>Combining efforts with large enterprises such as Ba Huan, Thien Long, Tan Long, Flamingo, An Gia, Vinaseed, Cotecons, EVNGENCO1, and so on to promote digital transformation.</li> <li>01 billion USD in sales from overseas markets.</li> </ul>
Investing in R&D for new products, services, and solutions on par with cutting-edge technologies	<ul style="list-style-type: none"> <li>The Made by FPT ecosystem with more than 200 products, services, and solutions.</li> <li>Base.vn gaining 8,000 corporate customers.</li> <li>Launching the first line of microchips Internet of Things (IoT) devices for medical care, realizing the dream of manufacturing semiconductor components created through Vietnamese ingenuity.</li> </ul>
Enhancing FPT's brand reputation	<ul style="list-style-type: none"> <li>The Corporation retained its leading position by achieving numerous domestic and international awards in terms of governance, business, and technology, such as the Top 3 Vietnamese Publicly Listed Companies on ASEAN's CG Score List, the Top 15 enterprises with good financial management capacity, Asia's Outstanding Companies, The enterprise with outstanding contributions to the ICT industry in Vietnam, The Gold Award and Top 10 Excellent digital products for the digital economy...</li> </ul>

## Shareholders and investors

Activity highlights	2022 results
Setting orientation and business strategies that closely reflect the market trends and significant technology movements in Vietnam and globally	In 2022, FPT continued to pursue the "Data-Driven and Customer-Centric" strategy in order to become a reliable partner of businesses and organizations, bringing them exceptional digital experience through near-real-time, data-driven governance.
Developing action plans and solutions to materialize business goals, ensuring adherence to orientations and strategies	Positive business outcomes with stable growth rates of 23.4% in revenue and 20.9% in profit before tax. In particular, revenue grew 4.4 percentage points higher than the target approved by the 2022 AGM. The target set by the 2022 AGM was a 19% increase.
Ensuring shareholders' interests	<ul style="list-style-type: none"> <li>Total dividend payments: 2,011 billion VND, up 18.5%.</li> <li>Earnings per share: 4,429 VND, an increase of 22.4%.</li> <li>Liquidity value: 223 billion VND/session, up 7% over 2021.</li> <li>Maintaining its position among the top 20 "green" stocks of the VNSI list (a reference or an underlying asset for investment products such as ETFs (Exchange Traded Funds) and index futures).</li> </ul>
Providing timely, thorough, and transparent information to shareholders	<ul style="list-style-type: none"> <li>150 meetings with domestic and foreign investors were held.</li> <li>Ensuring irregular and periodic disclosure on time to meet the requirements of the HOSE, the State Securities Commission (SSC); providing timely and transparent information to investors, shareholders, and other related parties.</li> <li>All shareholders and investors had the right to access disclosed information through the IR Department, the Annual Report, and the official website of the Corporation.</li> <li>Being named in the Top 3 Large-caps with the most favored IR activities by investors and Top 3 Large-caps with the most appreciated IR activities by financial institutions.</li> </ul>

## Employees

Activity highlights	2022 results
Constantly providing opportunities and challenges at work; promoting R&D activities resulted in highly innovative technological solutions and products	<ul style="list-style-type: none"> <li>The Corporation continued the policy to encourage in-house "start-ups" so that the developers of a successfully commercialized solution.</li> <li>Product would be entitled to 10-20% of the product's earnings.</li> <li>In 2022, there were 1,112 initiatives of in-house start-ups implemented. In the past six years, with the iKhien - FPT Innovation Award, which aimed to promote employee creativity, there were 3,707 initiatives deployed.</li> </ul>
Carrying out the human resource development plan following the Corporation's goals and strategies	<ul style="list-style-type: none"> <li>In 2022, training programs were widely deployed throughout the Corporation, with over 3.4 million learning hours and up to 99.6% completion rates.</li> <li>Spending on in-house training was recorded at 130 billion VND, up 32% over the same period in 2021.</li> </ul>
Implementing insurance and welfare regimes in line with the regulations	FPT always focused on developing a competitive, comprehensive remuneration policy that covers all employees and their families equally and transparently, ensuring they receive earnings commensurate with their performance and contribution to the organization. Performance evaluations were conducted regularly and fairly based on the "Do more - Get more" criterion.
Enhancing corporate cultures and core values	FPT regularly organized employee engagement activities to spread love and promote a healthy lifestyle, including FPT Photography Club, FPT Artists Association, Arts Festival, FPT Village Festival, Running Club, Football Club, Sports Festival, FPT Day for the Community, Parents' Day...

## Government agencies

Activity highlights	2022 results
Researching and developing technological solutions that help realize the goals of both major national programs and projects	<ul style="list-style-type: none"> <li>The e-government system FPT.eGov, upgraded to the digital government system - FPT.dGOV, was deployed in 40 localities with over 1,500 online public services, saving the average social cost of over 100 billion VND annually.</li> <li>The overall hospital management system called FPT.eHospital was put into operation in more than 300 hospitals and medical facilities nationwide, serving about 50 million annual medical visits.</li> <li>Cooperating with 14 provinces and cities nationwide to accelerate digital transformation in all three key pillars, bringing the total number of FPT's cooperation agreements with localities nationwide to 25.</li> <li>Accompanying Thua Thien Hue in launching the E-Wallet - a cashless payment solution on the Hue-S platform - to promote the digital economy and increase the platform's popularity in the community. As a seamless digital payment solution, The E-wallet on Hue-S is connected to 40 banks, allowing users to deposit, withdraw, transfer money, and pay utility bills on the Hue-S application without forwarding through any other intermediaries. Currently, there are 25,000 people using e-wallets in Hue-S.</li> </ul>
Fulfilling corporate responsibilities, such as tax obligations and social insurance payments	7,112 billion VND of contribution to the State budget.

## Government agencies (continued)

Activity highlights	2022 results
Enhancing the reputation of Vietnam's IT industry	<ul style="list-style-type: none"> <li>In 2022, FPT sponsored and co-hosted 13 key events under the theme of digital economic development, promoting the Vietnam digital economy and enhancing the reputation of Vietnam's IT industry globally.</li> <li>Gaining 01 billion USD in sales from overseas markets, affirming Vietnam's brainpower and intelligence on the international stage. FPT was awarded a certificate of merit from the Ministry of Information and Communications for this achievement.</li> <li>At the "Make-in-Vietnam" Awards ceremony, two products of the Made by FPT ecosystem were honored. Specifically, FPT Cloud - The next-generation cloud computing solution - won the Gold Award, and FPT.eSign - The remote digital signature service - won the Top 10 "Excellent digital products for the digital economy".</li> <li>12 digital platforms and solutions in the Made by FPT ecosystem of comprehensive digital transformation products were recognized under the 2022 Sao Khue Awards - the most prestigious award in the software and IT sector hosted by the Vietnam Association of Software and IT Services (VINASA). They included FPT Cloud, FPT.eSign, FPT Digital; the virtual shareholder meeting solution; UBot - the business process automation solution using RPA; the Foxpay e-wallet; etc.</li> <li>Within the agenda of Smart City Summit 2022 organized by VINASA, the Khaothi.Online software developed by FPT IS was recognized as a Smart Education Solution.</li> </ul>

## Community

Activity highlights	2022 results
Joining efforts with the community to overcome challenges toward a better life	<ul style="list-style-type: none"> <li>Sponsoring 171 billion VND in CSR activities, bringing the most practical values to 47,777 people nationwide.</li> <li>Donating 2,138 units of blood.</li> <li>Giving 100 Happy houses.</li> <li>Welcoming the first 200 students to enter the Hope School in the academic year of 2022-2023.</li> <li>Constructing 250 bridges in rural areas for students.</li> </ul>
Implementing scholarship programs to support young talents	<ul style="list-style-type: none"> <li>12,509 scholarships were awarded to young talents nationwide with a total value of more than 125 billion VND.</li> </ul>
Enhancing ICT in education and social activities and promoting innovative knowledge and technology throughout the community	<ul style="list-style-type: none"> <li>Developing VioEdu - the Edtech solution with 15 million users and the only virtual platform that integrates teaching and learning tools to serve students, teachers, and school managers.</li> <li>Khaothi.Online is the product suite that comprehensively supports the digital transformation of individual competence assessment and certification according to the ISO/IEC 17024:2012 standards. The software has been promoting the deployment of smart education in various localities across the country.</li> <li>2022 marked the 15th year of Violympic - the online competition in mathematics and physics for students nationwide. As one of Vietnam's first mathematical playgrounds on the Internet, Violympic quickly received the enthusiastic support of millions of participants. Notably, the number of students joining the game has increased significantly on an annual basis. In 2022, the number of participants was 64,569, including 7,455 primaries to high school students who won prizes in Math in English, Math in Vietnamese, and Physics.</li> </ul>

## Partners and suppliers

Activity highlights	2022 results
Developing and applying working and behavioral standards while communicating with partners	<p>The Corporation kept improving the efficiency of corporate governance and production management to ensure customer satisfaction, enhance competitiveness and bring sustainable benefits to stakeholders. In 2022, the governance model of objectives and key results (OKRs) continued to be leveraged as an internal management tool to realize the goal of digital transformation and improve labor productivity. In addition, FPT's overall activities and specific operations in each core field were well-recognized with prestigious international standard certifications.</p>
Building long-term alliances with its partners through industry, geographical area, and market sectors	<ul style="list-style-type: none"> <li>Regarding the government customers, FPT signed comprehensive digital transformation cooperation agreements with 14 provinces and cities in 2022.</li> <li>With the corporate customers, FPT joined hands with large enterprises such as Ba Huan, Thien Long, Tan Long, Flamingo, An Gia, Vinaseed, Coteccons, EVNGENCO1, Gas South, etc.</li> <li>With the SMEs, the business management platform Base.vn earned 8,000 new customers.</li> <li>For individuals, customer service and service experience were continuously enhanced with the support of Chatbot, Voicebot, AI, and other technologies.</li> </ul>

## Press and media agencies

Activity highlights	2022 results
Regularly and proactively providing information to the press and media through FPT newsletters, press releases, press conferences, and PR/IR articles	<ul style="list-style-type: none"> <li>Providing valuable and helpful information to stakeholders, allowing public acknowledgment of various topics, from business know-how and new technology trends to the Corporation's performance and development orientation.</li> <li>Providing analysis and evaluation on the development of the domestic ICT industry and global trend forecast, delivering a comprehensive industry overview.</li> </ul>

## Critical issue identification

The key issues in FPT's ESG activities are determined by consistency, which means harmonizing with the business activities and benefit sharing. In addition, the mechanism helps ensure the highest interests of stakeholders and compliance with relevant legislation.

Stakeholders' roles and responsibilities in sustainable development management

Entity in charge	Roles and responsibilities
The BOD	Approving and promulgating the strategy and orientation for sustainable development throughout the Corporation.
The BOM	Ensuring the implementation of the sustainable development strategy through the following activities: <ul style="list-style-type: none"> <li>Establishing specific sustainable development goals for the Corporation and its subsidiaries.</li> <li>Accelerating the implementation of the sustainable development strategy.</li> <li>Supervising the results of sustainable development policies.</li> </ul>
Subsidiaries	<ul style="list-style-type: none"> <li>Ensuring the realization of sustainable development objectives following the Corporation's orientation and strategy.</li> <li>Preparing periodic reports on the implementation of the sustainability strategy.</li> </ul>

### The process of critical issue identification

#### Step 1: Identifying critical issues that have a significant impact on the business operations of the Corporation and the interests of stakeholders.

- Keeping abreast of the economic, political, social, and environmental developments of Vietnam and the world.
- Researching socio-economic surveys, market reports, and industry publications issued by reputable organizations.
- Analyzing evaluation reports and customer surveys of the Corporation.
- Exploring distinctive characteristics of the industry and each specific operating sector of the Corporation.
- Referring to feedback from shareholders, investors, and other stakeholders.
- Scanning guidelines for developing the sustainable development report.

#### Step 2: Identifying critical issues of interest to the parties.

- Selecting critical issues of interest to the parties according to four contents, including: Reducing negative Covid-19 impacts on FPT and the community; Promoting National Digital Transformation; Investing in the education of the young generation; Environmental protection activities.

#### Step 3: Evaluating critical issues in the relationship with stakeholders.

- Designing the matrix of issues.
- Selecting critical issues.

Based on the above principles and identification process, FPT selected four key issues, focusing on developing and implementing suitable action plans to ensure stable economic growth and practical values for stakeholders. Below are 04 critical issues in FPT's ESG activities:

- Promoting a green environment.
- Creating happy workplaces.
- Accompanying the development of the community.
- Managing for sustainable development results.

## Promoting the green environment

### FPT's concerns on environmental protection

Direct impacts on ecosystems, environmental resources, and climate change are among humanity's biggest challenges in the 21st century.

Vietnam is one of the six countries in the world worst hit by climate change, with extreme weather events occurring more frequently and erratically. One of the leading causes of climate change, especially global warming, is the release of greenhouse gases. As a result, Vietnam set a target of "net-zero" greenhouse gas emissions by 2050 and a 30% decrease in methane emissions by 2030. To achieve this goal, Vietnam is committed to taking strong measures to reduce greenhouse gas emissions utilizing its own resources, along with the cooperation and support in finance and technology transfer of the international community, especially in developed countries.

As an enterprise operating in the technology sector, FPT almost did not witness any direct environmental imprints during its operation. However, we deeply acknowledge that the initiatives to monitor and evaluate climate change adaptation as well as the flexible deployment of technologies in energy consumption, are vital. Going beyond minimizing environmental impacts, they help organizations resiliently respond to pandemics, climate change, and environmental protection activities.

Therefore, when constructing office buildings, educational facilities, and software parks, FPT prioritized technology adoption and eco-friendly materials. It also made the most of natural energy sources and increased the green spaces to reduce any negative impact, energy consumption, and discharge. Besides, Decree No. 06/2022/ND-CP on mitigating greenhouse gas (GHG) emissions and protecting the ozone layer specified that facilities with energy consumption of 1,000 TOE (Tons of oil equivalent) or above must take inventories and mitigate GHG emissions since 2023. According to preliminary statistical data of FPT's office buildings and campuses, the average electricity consumption was about four million kWh, equivalent to 700 TOEs. Currently, FPT has yet to have to measure the GHG emissions index. However, environmental issues have always been among the top concerns of FPT when expanding nationwide office properties. Therefore, FPT will continue to take initiatives to mitigate and measure this index.

FPT has been applying multiple measures to reduce energy consumption and GHG emissions, such as installing solar power systems, enhancing virtual meetings, limiting stationery supplies, digitizing documents and data, and regularly conducting communication methods to encourage energy conservation with display banners and posters in noticeable areas.

### In compliance with the law on environmental protection

FPT Corporation, including its subsidiaries, did not record any minutes/notices related to environmental law violations. This confirmation is based on incoming and outgoing documents archived on the data and information systems of the Corporation.

Some major environmental activities of the Corporation and its subsidiaries in 2022

- Carrying out Environmental impact assessment reports for all projects following the Law on Environmental Protection 2020, effective January 1, 2022; Decree 08/2022/ND-CP detailing several articles of the Law on Environmental Protection, effective January 10, 2022.
- Organizing the collection, classification, storage, transportation, and treatment of all household solid waste, industrial solid waste, hazardous waste, and other types of waste in accordance with the provisions of Decree No. 38/2015/ND-CP and Circular 36/2015/TT-BTNMT.
- Managing and operating the collection and treatment of effluents to ensure that the wastewater generated during the project's operation is treated before being discharged back into the environment according to applicable technical regulations on wastewater (QCVN 14/ 2008/BTNMT).
- Implementing measures to prevent and minimize negative impacts and respond to environmental risks and incidents; deploying periodical environmental management activities; archiving data and sending it to the local Natural Resources and Environment department for inspection and supervision.

## Developing technological innovations toward the green environment

FPT invested in developing solutions based on the latest technology trends, such as AI, Big Data, Cloud, IoT, and RPA, allowing itself and companies worldwide to aim for a green business model and reduce environmental impacts.

For example, FPT's solutions related to innovative and energy-saving production have been effectively deployed by numerous enterprises. For example, a Vietnam-based factory of a traditional German manufacturer with 77 auto factories globally used smart factory solutions researched, developed, and deployed by FPT, which optimized the entire manufacturing processes, logistics, and operations, thereby reducing emissions and saving energy. After three years of implementation, it was the most modern facility, and the manufacturer was about to close some plants in Europe to focus on expanding its scale of operations in Vietnam.

An energy company in Europe, the leading continent for renewable energy, was deploying wind power management solutions made by FPT to optimize operational and maintenance practices in its wind farms.

In the field of electric cars, one of the crucial things is the placement of charging stations on the roads. Therefore, FPT supported the development of charging station management software and embedded software running on charging stations to solve the problem of optimal management and electricity consumption.

In parallel with accompanying businesses toward green growth, FPT also promoted internal digital transformation activities aiming for operational excellence, thereby indirectly lessening environmental impacts. Most of FPT's operations in terms of management and operation were digitized toward paperless offices, including online task assignment, electronic invoices, electronic procurement, electronic payment, online performance review, and other internal virtual shared services. In 2022, FPT's electronic contracts reached over 70,000, accounting for about 40% of the total and equivalent to a 20% increase over 2021.

The Corporation also encouraged using public transport and shuttle buses for employees and boosted technology solutions for virtual meetings and videoconferencing rather than taking business travel in an effort to reduce carbon emissions from private vehicles. According to data generated from the virtual meeting platform of the head office, FPT conducted about 4,500 online meetings in 2022.

## Focusing on building a green work environment

With offices and buildings across the country, FPT has always been aware that green offices not only help efficiently save energy and reduce office operating costs but also create creative workplaces, thereby promoting sustainable growth.

Additionally, when investing in office buildings, FPT always conducted Environmental impact assessment reports and complied with the laws and regulations on environmental protection, energy consumption, and waste/emission treatment. We also prioritized new technologies and eco-friendly materials, making the most of natural energy sources to minimize negative environmental impact, energy consumption, and discharge.

FPT's educational campuses and software parks in Hanoi, Da Nang, Binh Dinh, Ho Chi Minh City, and Can Tho were constructed using the campus model with office buildings integrated with entertainment areas, green spaces, and landscapes. They included F-Ville Software Village in Hoa Lac Hi-Tech Park (Hanoi); FPT University in Hoa Lac Hi-Tech Park (Hanoi); FPT Complex in FPT City Urban Area (Da Nang); F-Town in Thu Duc Hi-Tech Park (HCMC)....

Many of them were highly praised by domestic and international organizations for green architecture prioritizing energy efficiency.

- The F-Town 3 campus was classified as one of the trio of typical constructions of Bioclimatic architecture by Wallpaper - The leading British magazine on architecture, art, and fashion. The construction style and design took full advantage of natural resources to provide a comfortable and convenient living environment. More than 40% of buildings include open spaces. In addition, no corridors require energy using air conditioning.
- FPT Complex (Da Nang) was awarded the EDGE (Excellence in Design for Greater Efficiencies) by the Ministry of Construction and the World Bank based on achieving savings of at least 20% in all three criteria: energy, water, and materials.
- FPT University Alpha Building (Hoa Lac Hi-tech Park, Hanoi) was honored in the Future Education category at the World Architecture Festival and won first prize at the Green Architecture competition organized by the Vietnam Association of Architects for the use of green materials and energy utilization.

Recognizing the importance of clean energy sources and based on the industry characteristics, FPT gave top priority to solar energy in ensuring the operation of heating and domestic hot water systems in buildings. Consistently, it affirmed FPT's commitments to environmental protection. Furthermore, it helped save electricity costs while ensuring hot water and steam supplies during the winter in the Northern region.

Our facilities are in major cities across the country, experiencing two distinct seasons: rainy and dry. Therefore, we purposefully integrated artificial water storage systems in our buildings to make the most of natural water in the rainy season. The facilities were also equipped with wastewater filtration systems to utilize this water source for practical purposes (such as watering plants), optimizing water consumption costs significantly in the dry season. The infrared system and automatic alternating-current sprinklers were used on all green areas to reduce water use and provide tree maintenance, bringing a nature-friendly workplace to employees.

With clean water coming from the water supply system, we strictly ensured the consistent implementation of water-saving regulations in buildings and campuses. For example, the common areas used touch-sensitive faucets that were automatically turned off when not used. We also launched emulation movements to encourage water efficiency in nationwide offices.

## Energy and water management and consumption

### Scope and Methodology

Technology is an eco-friendly industry. Our environmental impact mainly come from waste discharge, energy consumption in offices, stores, and employees' awareness. Therefore, energy management (electricity), water consumption, and waste treatment were among the environmental issues we paid more attention to. Data on electricity consumption, water, and waste treatment published in this report were gathered and analyzed based on monthly service bills and within most of our nationwide office properties.

### Energy savings

- Increasing the use of natural energy/water sources, such as solar energy, groundwater, and rainwater.
- Reducing GHG emissions by decreasing energy consumption in FPT's office buildings nationwide.
- Using smart energy and water control systems.
- Monitoring monthly electricity consumption.
- Cleaning the heat exchanger rigs and the air-cooled hot rigs periodically, avoiding dust and dirt that may reduce the heat transfer capacity.
- Maintaining failures to avoid any energy losses timely.
- Replacing the use of water heaters with centralized solar water supply centers.
- Having skilled maintenance technicians to adequately operate the air conditioning and ventilation systems and enhance energy efficiency.

## Water and energy consumption of FPT's buildings

The electricity consumption in 2022 was higher than in 2021 due to the significantly increased number of employees returning to work as the pandemic, and remote working policies ended. Therefore, there were some fluctuations in power consumption in some facilities. However, most buildings had high stats due to regular usage demand.

### Electricity consumption of FPT's facilities:

Location	Construction	2021 Electricity (KW)	2022 Electricity (KW)
Hanoi	FPT Pham Van Bach	4,097,471	6,496,700
	FPT Duy Tan	12,159,900	23,635,300
	F-Ville 1	1,622,400	1,698,608
	F-Ville 2	2,937,700	3,091,500
	FPT University (Hoa Lac Hi-Tech Park)	2,429,100	4,680,940
Danang	FPT Complex	6,022,456	6,823,428
	FPT Massda	937,866	1,063,500
HCMC	F-Town 1 & F-Town 2	15,235,862	19,854,968
	F-Town 3	20,588,796	22,579,591
	Tan Thuan 1	26,028,284	32,244,490
	Tan Thuan 2	2,311,790	2,098,121
Can Tho	FPT University Can Tho	738,172	1,753,500
<b>Total</b>		<b>95,109,797</b>	<b>126,020,646</b>

### Water consumption of FPT's facilities:

Location	Construction	2021 Water (m3)	2022 Water (m3)
Hanoi	FPT Pham Van Bach	51,461	64,836
	FPT Duy Tan	22,336	32,341
	F-Ville 1	Well water	Well water
	F-Ville 2	Well water	Well water
	FPT University (Hoa Lac Hi-Tech Park)	101,658	135,125
Danang	FPT Complex	74,595	80,038
	FPT Massda	11,148	12,022
HCMC	F-Town 1 v& F-Town 2	20,617	26,411
	F-Town 3	31,418	44,448
	Tan Thuan 1	4,585	3,615
	Tan Thuan 2	27,083	28,960
Can Tho	FPT University Can Tho	25,190	45,554
<b>Total</b>		<b>370,091</b>	<b>473,350</b>

### Oil consumption of FPT's facilities:

Location	Construction	2021 Oil (Liter)	2022 Oil (Liter)
Hanoi	FPT Pham Van Bach	1,650	1,800
	FPT Duy Tan	1,600	1,900
	F-Ville 1	1,020	1,295
	F-Ville 2	1,655	2,130
	FPT University (Hoa Lac Hi-Tech Park)	100	150
Danang	FPT Complex	8,560	9,512
	FPT Massda	1,200	2,400
HCMC	F-Town 1 v& F-Town 2	1,352	1,553
	F-Town 3	850	1,320
	Tan Thuan 1	470	610
	Tan Thuan 2	415	400
Can Tho	FPT University Can Tho	No need for electric generators	
<b>Total</b>		<b>18,872</b>	<b>23,070</b>

### Energy consumption per capita:

Energy	2021 consumption	2022 consumption	Total employees working in the facilities	2021 consumption per capita	2022 consumption per capita
Electricity (KW)	95,109,797	126,020,646	23,800	3,996	5,294
Water (m3)	370,091	473,350		15.55	19.89
Oil (Liter)	18,872	23,070		0.79	0.97

## Indoor air quality in the workplace

Air pollutants, such as CO, SO<sub>2</sub>, NO<sub>2</sub>, PM<sub>2.5</sub>, PM<sub>10</sub>, Ozone, and so on, can cause serious health problems. Employees are the most valuable assets an organization has. So, in parallel with creating an ideal work environment to develop employees to their full potential, the Corporation paid much attention to monitoring and controlling the air quality in the workplace. This activity helped maintain a safe and healthy environment for employees, improving their performance, enhancing corporate reputation, and reducing legal risks related to occupational health and safety.

For example, at the headquarters of FPT, we conducted the air quality measurement from December 16 to 21, 2022. Accordingly, the recorded indicators were lower than the national technical regulations. In particular, no CO was detected in the air.



## Air pollutant measurement in FPT Tower

No	Indicator	Unit	Standard	Results			QCVN 26:2010/ BTNMT
				KX01	KX02	KX03	
1	Noise	dB(A)	TCVN 7878-2:2010	67.5	67.5	69.8	70
2	Total suspended particulate (TSP)	µg/m <sup>3</sup>	TCVN 5067:1995	153	137	167	300
3	CO	µg/m <sup>3</sup>	HETC/SOP - QTTN - KX03	KPH (MDL = 3,000)	KPH (MDL = 3,000)	KPH (MDL = 3,000)	30,000
4	SO <sub>2</sub>	µg/m <sup>3</sup>	TCVN 5971:1995	82	78	95	350
5	NO <sub>x</sub>	µg/m <sup>3</sup>	TCVN 6137:2009	71	65	77	-

## Creating happy workplaces

As of December 31, 2022, FPT's human resource scale in 29 countries and territories increased by 14.1% over the same period, reaching 42,408 employees.

The technology sector continued to play a significant role with 28,533 employees, accounting for 67.3% of the total workforce, up 18.6% over 2021. It was also the core force that contributed to expanding the Made by FPT ecosystem and creating a new growth engine for the Corporation in the long term.

### FPT's workforce by operating sectors (including the total workforce of 08 subsidiaries)

Sector	Number of employees (people)	Proportion (%)
Technology	28,533	67.3%
Telecommunications	9,478	22.3%
Education, Investment, and Others	4,397	10.4%
<b>Total</b>	<b>42,408</b>	<b>100%</b>

Understanding the significant role of human resources in the Corporation's sustainable development, FPT's human resource management focuses on five principal pillars, which include: (1) Diversity, equity, and inclusion, (2) Opportunities for training and advancement, (3) Competitive remuneration and benefits policies, (4) Physical and mental health care, and (5) Listening, empathy, and trust. In particular, FPT always wishes to convey the positive message of happiness and encourage initiatives to create a joyful work environment for all employees.

FPT's relentless efforts in human resource activities were also recognized with major HR awards from prestigious organizations worldwide. For example, 2022 was the 3rd consecutive year that FPT Corporation topped the list of "Best Places to Work in Information Technology, Software, and Applications, E-commerce," announced by Anphabe - the orientation of professional community network - and Intage - the market research agency. Besides, FPT Japan - a branch of FPT Software in Japan - was honored in the list of "Great places to work in Japan" announced by the Great Place to Work® Institute of Japan owing to its efforts in building an ideal work environment for employees.

In the coming time, HR management activities will be raised to a new level as the Corporation announced the DC5 - 135 strategy with the great mission towards achieving happiness together. Three fundamental goals shaped up the mission: Accompanying everyone in FPT in the pursuit of joy, utilizing digital transformation to provide valuable benefits to business owners and their personnel, and satisfying customers' needs at the right time based on deep insights into them. Hence, FPT strives to have one million employees by 2035 to realize the DC5 strategy and pursue happiness. Employee happiness is fundamental for the success of the organization. Therefore, the framework of action focused on the satisfaction of its employees, which resulted in worthy praise and recognition for their contributions and achievements, the freedom to do what they like, development opportunities, deep understanding, and communal

sharing. Accordingly, the Corporation continued cultivating a better work environment, maintaining appropriate and flexible remuneration regimes, and meeting the needs of employees. In addition, FPT proactively paid attention to organizing the managerial positions and high-quality workforce to meet the development needs. Furthermore, it effectively designed and deployed the internal resources to accommodate the high growth rate and the large business scale. This also helped improve labor productivity, enhance employee working experience, and improve decision-making using Big data analysis. Besides, it also engaged in developing and standardizing core policies for human resource management as well as enhancing the employer brand on recruitment channels.

## Diversity, equity, and inclusion

The stable local and international human resources have been the basis for the diversification of FPT's working environment as a leading enterprise with a global reach. Diversity and differences in age, religion, location, ethnicity, and personal characteristics... were highly respected. FPT accepted everyone as their authentic selves with their strengths and weaknesses. Concurrently, it facilitated employees to improve self-motivation and self-leadership, thereby maintaining a quality workforce.

Our core values of "respect – innovation – teamwork – equality – exemplarity – lucidity" were indispensable to FPT's distinctive characteristics. They are the organizational DNA and the source of strength to motivate both the leaders and employees of the Corporation.

With 47% of the workforce being Gen Z, the young generations will increasingly become the central workforce with differences and potential in the coming time. FPT is committed to being an attractive workplace for them to learn and dedicate themselves to.

### Diversity in culture, nationality, ethnicity, age, and education

FPT's workforce continued to be rejuvenated by recruits with an average age of 28 (compared to an average age of 30 in 2020). The proportion of employees under 30 accounted for 60% of the total workforce. The above-50-year proportion merely accounted for 0.9% of the team. Moreover, 80% of personnel had undergraduate and graduate degrees. Besides this, the number of managers under 40 years old accounted for 71% of the total managerial positions.

As a global technology corporation, FPT not only grew the scale of operations but also increased the use of local workers and experts in order to gain a competitive advantage and a deeper insight into the local business culture. Therefore, FPT's workforce constantly expanded in terms of nationality and location. As a result, as of 2022, there were 42,408 employees in 29 countries and territories, including 1,681 foreigners with 52 different nationalities, such as USA, Japan, Germany, UK, France, Slovakia, Philippines, India, etc., up 27% over the same period last year.

FPT had 3,618 employees working in Asia, Europe, and America, mainly in Japan. With diverse human resources working worldwide, FPT was promoting the wisdom of a diverse workforce on a global scale, contributing to the sustainable growth of the Corporation.

### Improving gender equality

Although the tech industry is characterized by its high proportion of male employees, FPT has always strived to keep equal and fair opportunities for all employees right from the recruitment. As a result, in 2022, the number of female employees increased by 17% over 2021, while male personnel increased by 13%.

Specifically, the number of female managers/leaders also increased by 19.6% compared to the 8% growth rate of male managers. With a fair and transparent income policy, employee earnings were wholly based on their position, performance, and contributions, regardless of gender.

### Total workforce

	2022 (employees)	Growth (%)	Proportion
Female	16,155	17%	38.1%
Male	26,253	13%	61.9%
<b>Total</b>	<b>42,408</b>		<b>100%</b>

### Managerial level

	2022 (employees)	Growth (%)	Proportion
Female	1,020	19.6%	34.6%
Male	1,924	8%	65.4%
<b>Total</b>	<b>2,944</b>		<b>100%</b>

## Opportunities for training and advancement

### Promoting in-house training

Technology requires constant change and creativity. Hence, FPT built generations of employees who constantly learned and strived to meet the requirements.

With the orientation of making FPT a learning organization, developing a highly qualified workforce, and being well-organized toward a long-term vision of human resource management, FPT always put people at the heart of its development strategy, designing various training activities.

All employees of level 2 and above must attend the annual training programs of the Corporation or complete at least one course in MOOC (Massive Open Online Course) platforms. In 2022, training programs were widely deployed throughout the Corporation, with over 3.4 million learning hours and up to a 99.6% completion rate. It was also the first year that FPT deployed in-house training for the entire subsidiaries on Udemy - the world's largest online learning platform.

In addition, the "Master-Disciple" programs continued to be actively maintained, achieving a remarkably high 'active' rate and many participants. Specifically, the Master-Disciple program had nearly 2,000 hours of activity with a 88% active rate, 200 masters, and almost 1,400 disciples. Furthermore, as a big tech in Vietnam, FPT always encouraged and invested heavily in training and education to improve technological capabilities by increasing the total number of technology certificates to 8,712. To achieve these impressive results, FPT spent more than 130 billion VND on internal training activities during the year, up 32% when compared to 2021.

In addition, the Corporation paid tremendous attention to nurturing all levels of management by boosting MiniMBA courses in Vietnam and abroad. It also provided capacity-building courses exclusively to middle managers, with more than 16,000 hours of learning in 2022. MiniMBA is the training program for potential high-quality staff among FPT's subsidiaries. MiniMBA shortens and distills the quintessential content of the MBA program, organized by FPT Corporate University in collaboration with the FPT School of Business & Technology (FSB). The program aims to help learners consolidate core management knowledge as well as systematize essential and professional management skills for modern business management and corporate governance. It also helps improve their capacity, leadership, and business network development through the multi-dimensional exchange of experiences.

The core staff training program helps young talent hone their knowledge and skills and to improve their leadership and management capacity to become the next generation of FPT leaders.

### In-house training in 2022

No	Indicator	2022
1	Training budget (billion VND)	129.8
2	Number of courses (course)	6,236
3	Training sessions (session)	676,127
4	Number of training hours (hour)	3,414,168
5	Training sessions per capita (session/person)	16
6	Training hours per capita (hour/person)	81
7	Number of technology certificates (certificate)	8,712

### Boundless learning opportunities for the community

Along with the commitment to building high-quality human resources for FPT and the national economy, the Corporation offered educational services to hundreds of thousands of students from high school to graduate levels in the FPT Education system in the past year.

Besides, FPT has always focused on gaining young, logical, and creative talent in its recruitment process. In fact, they have been creating a positive motivation for the working environment, meeting the increasing needs of functional departments, and potentially joining the management team. In addition, FPT organized fresher and intern training programs every year to provide advanced technical knowledge and skills, practical work experience, and new and exciting chances for young talents to unleash their ability. With an increasingly large staff size and double-digit growth rate, FPT will continue to promote the incubation and nurturing of young talented workers and future successors in the coming time.

Typically, FPT Software Academy was the training program for professional developers of FPT Software (FPT's subsidiary) for all students in the IT sector across the country. FPT Software Academy offers career opportunities and a professional training environment according to international standards, with the mission of providing and training high-quality technology human resources to work on major global projects. It is the starting place for the success of leading IT engineers in the future, responding to the strong development of the Corporation. The Academy has more than 5,000 young IT trainees annually. Expanding to 37 offices in 16 countries, it also partners with nearly 70 universities, institutes, and colleges nationwide in developing internship training and career orientation programs for students.

## Competitive remuneration and benefits policies

### Adhering to the provisions of the labor law

The context of economic fluctuations in 2022 even resulted in some staff cuts in leading global tech giants. However, FPT maintained stable jobs and employee income and complied with the Labor Code thanks to its ability to ensure business continuity and excellence in productivity.

FPT is one of the few Vietnamese enterprises with unique corporate cultural values, which create a distinctive advantage in attracting talent and enhancing cohesion among staff members and between them and the Corporation. With the philosophy of providing each member with a great personal and professional life and the best conditions to grow, FPT is committed to a fair, transparent, diversified, and inclusive work environment based on gender equality in recruitment, employment, training, payment, remuneration, reward, and promotion, social insurance, health insurance, unemployment insurance, working conditions, labor safety, working hours, rest time, and other welfare regimes. Furthermore, no discrimination or use of forced labor or child labor is involved in any production and operations activities at FPT.

Over the past 35 years, FPT has strictly complied with employment law to protect employees' rightful benefits. 100% of employees participated in the collective labor agreement.

Undoubtedly, employees are the core power that brings enterprises to new levels and achieves strategic goals in business.

The Corporation will continuously renew remuneration policies and enhance employee experience in the coming time. FPT will provide comprehensive care for employees and their families by practicing the employee-centric orientation. FPT always focused on developing a competitive, complete remuneration policy that covers all employees and their families equally and transparently, ensuring they receive earnings commensurate with their performance and contribution to the organization. Performance evaluations were conducted regularly and fairly based on the "Do more - Get more" criterion.

FPT's remuneration policy includes three components: Salary by job title, Bonuses based on individual performance and contribution, and other allowances.

Salary by job title: Based on salary survey reports of some reputable HR consulting firms globally and adjusted according to the specific position. It must align with the development of the Corporation and labor market, as well as the inflation rate in Vietnam. In addition, employees also receive the 13th-month Bonus paid for New Year.

Bonuses based on individual performance and contribution: Employees' achievements were consistently recognized and rewarded promptly, reasonably, and transparently. Especially in recent years, FPT has implemented the policy of lump-sum income, whereby monthly/quarterly payments change according to actual performance. In addition, FPT especially encouraged in-house startups with a commitment to a desirable bonus rate.

Allowances: Support costs covering business trip expenses, phone charges, wages of temporary tasks, and per diems for long-term business trips were regularly reviewed under actual situations to ensure the highest support for employees.

Along with the above remuneration policies in accordance with the Laws (on social insurance, health insurance, and unemployment insurance), FPT also built different welfare regimes for employees and their relatives. For example, Periodic Health Checkups were organized annually in reputable hospitals at the expense of the Corporation for all employees with formal labor contracts. Employees who made extraordinary contributions would be entitled to housing support, gratitude, and filial piety. Furthermore, employees with formal agreements and their relatives would receive discounts when purchasing services and products of the Corporation and its subsidiaries. In addition to the standard insurance regimes following the Law, all FPT employees had the "FPT Care" health insurance depending on the staff level. Even their family members were also supported with health insurance packages at reasonable fees.

In order to strengthen the long-term interest engagement of young senior managers with the Corporation, we also implemented an ESOP (Employee Stock Ownership Plan) for those making remarkable contributions, owning high potential, and willing to prolong their commitment.

Besides, FPT organized annual programs to honor individuals and teams with excellent achievements throughout the year, extending from the corporate level to subsidiaries, centers, and departments. Some typical honor ceremonies, including FPT Under 35 and Top 100 FPT, were held widely and creatively in Vietnam or abroad, encouraging employees to take pride in their work and enhancing their emotional attachment to and involvement with The Corporation. The recognition was also the gratitude to employees' family members for the supportive role they play.

### Accelerating creativity and innovation

#### FPT Innovation Award - iKhien and in-house startups

FPT Innovation Award - iKhien is an annual award to honor practical innovations that go into long-term operation and encourage the spirit of creativity and innovation among staff. The program has been continuously implemented for several years, helping us yield Onethe creative potential of our people. Moreover, those initiatives under the FPT innovation award were not only to be internally used but also for commercialization and making a social impact.

The Corporation has always nurtured the startup and innovation desires from the very first day of its establishment. Startups under FPT must go through four stages: ideation, experimentation, development, and maturity. On its part, the Corporation facilitates creative ideas thanks to creative DNA - the tech spirit in FPT's culture and internal initiatives that encourage creativity, such as Innovation Day, Hackathon, ikhien, akaDay. In addition, FPT also tries to find external ideas and attract talented personnel.

Remarkable numbers about startups and innovation at FPT included 3,707 ideas and more than 350 billion VND of investment in creative ideas. In addition, some of the products had impressive user communities. One being mentioned was the FPT AI platform with more than 600 million end users, FPT akaBot with over 3,000 customers in more than 20 countries, Base.vn with up to 8,000 corporate clients.

FPT's dramatic development and leading position resulted from the entrepreneurial spirit that forged FPT's people for nearly 35 years.

#### OKRs and ambitious objectives

OKR methodology, tied to the terms of "Leng keng" (which means "Think Big"), "Exceptional results", "Doing things differently", has gradually been harmonized with the enthusiasm and ambition of all staff for years. Setting individual OKRs quarterly allows the detailed measurement of the results by specific indicators and products while making a considerable contribution and closely related to performance indicators and action plans of the company or the department during the period. This has been the driving force behind FPT's remarkable achievements and new records. To punctually recognize the contribution and encourage the completion of OKRs, FPT quarterly honors the Top 13 employees with the best OKRs.

### Offering opportunities for advancement

#### Job rotation

FPT leaders were regularly rotated into various business segments to develop diverse experiences and improve leadership and management capacity, enhancing stable development for the Corporation in the upcoming years. Internal rotation has become the lifeblood of FPT to increase work efficiency and promote innovation. The program facilitated the development and improvement of professionals, leadership, and management skills of staff at all levels. Furthermore, it helped discover and foster the next generation of FPT leadership.

#### "Trạng FPT" exam

As the longest-established exam of the Corporation, "Trạng FPT" not only stimulates the spirit of learning but also helps maintains the corporate culture. Lighting up the core values of "Respect - Innovation - Teamwork - Equality - Exemplarity - Lucidity", it is a playground for FPT's employees to show off their talents and seek promotion opportunities. The exam aims to find young talents with leadership qualities and management capacity to honor and promote. The winners will receive coaching and training activities in order to take on the role of the next generation of leaders for the development of the Corporation.

Successful applicants were appointed to key positions of the Corporation and its subsidiaries, such as Senior Vice President of FPT Corporation, FPT Telecom CEO, CHRO of FPT Corporation, and Headmaster of FPT Polytechnic College...

#### FPT Under 35

FPT 13 Under 35 is a competition for FPT employees under 35 who are active in different fields and making a prominent mark with their excellent work. Being in the Top 13 Under 35, the winners may enjoy multiple privileges, such as becoming FPT Youth Ambassadors for one year, joining the "Master - Disciple" program, and being mentored by FPT's top management team. They are also on the appointment list of leadership positions. Also, they will become guest/keynote speakers of the FPT Under 35 Summit.

## Physical and mental health care

### Promoting physical and mental wellbeing to employees

FPT is one of the few Vietnamese enterprises with unique corporate cultural values, which create a distinctive advantage in attracting talent and enhancing cohesion among staff members or between them and the Corporation.

The Corporation regularly organizes activities to promote employee engagement and improve their spiritual health, preserving its unique corporate culture.

- Cultural and sports events include The Company Anniversary Ceremonies (September 13) with a Sports Festival & an STCo Performing Festival, the Ancestor Memorial Day (March 10 of the lunar calendar), the Parents' Day (November 19), FPT Small, FPT Village Festival (on the occasion of Lunar New Year), International Women's Day (March 8), Men's Day (November 11), etc.
- It established associations and clubs to influence employee wellbeing and increase physical activity, such as the Photographic Association, the FPT Small's Parents Association, the Union Football Association, the Artists Association, Music Club, Dance Sport Club, Homemade Club, the Table Tennis and Pool billiards Club, Love Connection Club, Photography Club
- Internal cultural publications, such as FPT Chronicles (Vietnamese: Sử ký), FPT Brief History (Vietnamese: Lược sử), Chungta.vn internal newspaper, daily internal newsletters, technology newsletters, Fun4Fun shows, and so on, were maintained to provide a better understanding of corporate history and core values.
- In order to raise awareness and stimulate kindness in the workplace, many community movements were organized annually on Community Day (March 13), attracting thousands of attendees. The Corporation also encouraged employees to contribute one day's wages to promptly support the community and even their colleagues when experiencing difficulties.

FPT also paid attention to activities to improve the physical health of employees. It was spending thousands of billions of VND on comfortable and classy campuses and offices with numerous utilities, serving the needs of work - entertainment - study - accommodation, including outdoor sports areas, gym & yoga centers, swimming pools, cinema rooms, relaxation areas, residential areas, libraries, restaurants & green spaces.

## Using technology to promote workplace happiness

As one of the leading technology corporations in Vietnam, FPT considers integrating technology into the workplace a vital strategy to enhance employee experience and create a happy work environment.

The employee evaluation was implemented on the systems built by FPT. For example, the Corporation evaluated employee performance monthly using the Integrated Performance Management System (iPMS). Or else, the quarterly setting and evaluation of individual objectives and key results (OKRs) were deployed on FPT's OKR system.

FPT is also one of the pioneering enterprises in Vietnam to deploy an employee engagement platform. Called myFPT, the "Made by FPT" app allows employees to access personal information easily, mark the attendance check-in and check-out, receive rewards and "golds" from their managers/leaders/colleagues instantly, and even play puzzles and games. In particular, the timely interaction between managers/leaders and employees is highly appreciated with the 'Recognition' feature. Managers/Leaders can promptly encourage and reward employees with "golds" bonuses for their worthy achievements on the myFPT app. Accordingly, every achievement or piece of good work was publicly recognized and awarded Gold by the reporting leaders/managers. In 2022, the Corporation spent tens of billion dong in "Gold bonuses" to timely praise employee contributions.

In addition, FPT also attached great importance to business automation solutions to optimize labor productivity. As a result, applications to help reduce paperwork and increase productivity were enhanced, contributing to the completion of the Made by FPT ecosystem. They included Uservice - the digital signing system, FPT Epayment - the online payment platform, Foxpro - The solution for tracking employee time and attendance, etc. In the coming time, FPT will launch more apps to enhance work performance and employee experience throughout the Corporation.

## Listening, empathy, and trust

Constantly yearning for employees' feedback to make timely adjustments and bring about the best working experience, the Corporation annually conducted employee satisfaction surveys so that all FPT employees could voice up their thoughts and aspirations. In addition, they provided essential information for FPT to improve its remuneration policies.

The Corporation and its subsidiaries regularly organized one-on-one meetings between managers and employees to listen, seek to understand, and further build trust and long-term commitments.

For instance, in the CxO Talk organized by FPT Software, the most time-consuming part of the agenda was the Q&A between employees and company leaders regarding production, business activities, company resources, digital transformation, internal regimes, and operations. More than 200 questions from employees were sent to the program after three days. The fields of Policies & Benefits, Business, Delivery, Technology & Digital Transformation, and Culture & Life received the most incredible attention from FPT Software employees. It was also an opportunity for managers to listen to their employees, share strategies and updated operations, and convey key messages.

To promote OKR and honor outstanding individuals, one of the motivated activities was the Dinner Party with FPT Chairman. Quarterly, FPT Chairman Truong Gia Binh will invite 13 employees with the best OKRs among subsidiaries to a dinner at his house. If not living and working in Hanoi, the individual will be covered for all travel expenses by the corporate budget.

With the desire to create an open space for Generation Z - which accounts for 47% of the total workforce - and to nurture young talent and promote FPT's employee qualities, the Corporation initiated the series of events specialized for Gen Z called "Zenerations - The Future of the Workplace". In 2022, within the framework of the series, there were three seminars & game shows deep diving into multi-dimensional perspectives on Gen Z. These valuable insights helped build the most suitable work environment for young people to unleash their creativity and potential. The series attracted more than 100 leaders, managers, and thousands of employees to attend virtually and in person.

## Accompanying the development of the community

Doing charity work is one of the cross-cutting activities in the plan of FPT Corporation and its subsidiaries, which are widely deployed throughout Vietnam.

In 2022, through the FPT Fund for the Community, the Corporation and its subsidiaries carried out various charitable and social activities, such as building bridges for the people in the Mekong Delta, building "happy houses", implementing school renovation projects, sponsoring treatment costs for child patients with cancer, offering scholarships to children infected with dioxins and outstanding students who overcome difficulties... Hundreds of new bridges and dozens of schools were built firmly in the middle of the mountains, forests, and rural areas. Thousands of children were thoroughly cared for regarding physical health with the determined mandate: "no child left behind".

In 2022, FPT sponsored over 171 billion VND in CSR events, bringing practical values to 47,777 people nationwide. Activities mainly focused on encouraging education development, doing charity work, and giving a hand to disadvantaged people...

With the ultimate goal of making a long-lasting positive impact on society instead of temporary relief activities in emergencies, FPT promotes non-material contributions inside the Corporation to accompany the development of the community and national happiness.

## Opportunities to access technology and increase the value of life

To realize its target of accompanying the community toward a happy nation and bringing the best to our people, FPT has continued developing a superior technology ecosystem. In particular, it will help increase productivity, save a lot of costs and processing time, improve opportunities to access technology, and enhance the quality of life. They include several products for the health care sector and direct public services, supporting millions of people to access social security and public services with convenience, transparency, speed, and safety.

### • FPT.eHospital 2.0+

The Smart hospital management ecosystem named FPT.eHospital 2.0+ was developed based on experience and in-depth insights for more than 23 years accompanying the healthcare sector of FPT. The ecosystem includes software and smart solutions in the management and operation of hospitals and community health centers, aiming for the "paperless" hospital model with automation and simplification of processes and procedures at the hospital.

The solution applies the most advanced 4.0 technologies to serve multiple target groups, from management leaders to doctors, nurses, and especially patients. As a result, the ecosystem not only facilitates the operation and management of the hospital but also contributes to improving the quality of medical examination and treatment, enhancing the experience and convenience of people accessing healthcare services.

It inherits all the strengths of the previous versions and even leverages them to the next level, which enables the expansion of healthcare solutions toward telemedicine and smart healthcare. FPT.eHospital 2.0+ is being deployed to more than 300 hospitals in Vietnam, serving about 50 million annual medical visits. It significantly improves administrative procedures and reduces cumbersome processes at hospitals, improving the quality of medical examination and treatment and enhancing experience and convenience for people. Various hospitals and clinics were effectively using FPT.eHospital 2.0+, such as Cho Ray Hospital, Bach Mai Hospital, National Children's Hospital, Huu Nghi Hospital, National Otorhinolaryngology Hospital, Tokyo Medical University Hospital, T-Matsuoka Medical center... During the Covid-19 period, in order to join forces with localities in pandemic prevention and economic recovery, FPT deployed the solution for free in more than 36 field hospitals across the country and also sponsored other systems, such as FO Home Care or the Covid-19 prevention virtual assistant.

### • Digital Citizen App

The Digital citizen app (Vietnamese: Công dân số) provides an ecosystem of applications and utilities to serve people's lives better, becoming a helpful interaction channel between local authorities, people, and businesses. Putting citizens and businesses at the center, the application allows easy access to information, narrowing the gap between the government and individuals. Moreover, easy access to information and feedback and promptness in handling complaints enhances the relationship between people and the state, thereby creating disruptive developments in the new situation.

Built on the latest technologies, including Big Data, AI, Machine Learning, IoT... the app fully ensures the functional, performance, and security requirements. It was used in Tra Vinh, Can Tho, Binh Dinh, Nha Trang...

## Creating a joyful learning environment

### • Hope School

The 2022-2023 Opening Ceremony marked the first academic year of more than 200 students from 41 provinces under one shelter named “Hope School”. The school’s founding members cherished the wish that those youngsters would gradually feel the love of the whole society, motivating them to grow up.

As the school’s name implies, “Hope” was not only a place for students to get comprehensive education and development. Above all, it was a home filled with warm love for the children who have suffered from the Covid-19 pandemic.

In addition to the internal resources of FPT Corporation and other founding members, the Hope School received the help of numerous organizations and enterprises. In addition, the subsidiaries of FPT Corporation regularly had practical support activities on school facilities and learning materials, such as free Internet access, high-quality laboratories with complete equipment to practice robotics and electronics, sewing rooms, and wood shops. They also delivered soft skills courses and vocational guidance by visiting the work environment of programmers at FPT Software.

### • The “Light up the school” program

In April 2018, the “Light up the school” (Vietnamese: Ánh sáng học đường) program was launched with the desire to mobilize social resources to expand access to educational opportunities for students. The program aimed to improve educational facilities by building new schools, boarding houses, toilets, and playgrounds and equipping teaching and learning equipment for students in remote areas and localities affected by natural disasters. Up to now, there were 93 schools built or renewed, and 464 classrooms, public service rooms, boarding houses, and toilets renovated. It is estimated that more than 16,000 teachers and students benefit from this program.

### • The “Give wings to your dreams” program

Almost every year, FPT employees set foot in the highlands to help those in difficult circumstances. Practical gifts are expected to help children in upland areas keep their passion for words and books and sow seeds of hope for a bright future. Sustained by the determination and efforts of FPT employees, the program called “Give wings to your dreams” is one of the largest and longest-established CSR activities dedicated to disadvantaged children in upland areas. In 2022, estimated 9,377 students benefited. In addition, 16,901 awards, including computers, bookcases, and learning equipment... were given to schools and students

### • FPT Centre for Young Talents (FYT)

To facilitate the comprehensive development of talented young students across the nation, FPT Centre for Young Talent (FYT) provides scholarships for students with distinguished academic achievements as well as national and international awards every year. Currently, the Center has nearly 600 members. Many FYT members became influential founders, managers, scientists, and experts in Vietnam and globally. In 2022, 33 scholarships were granted to young talents, with a total spending of 276 million VND. In addition, with FPT’s support of costs and material facilities, FYT members were encouraged to pursue their aspirations, exchange ideas, be inspired, and at the same time, improve soft skills needed for the future through experiential classes, workshops, and extracurricular activities...

### • Nguyen Van Dao scholarships

In order to find, attract and foster talents, FPT spent 125 billion VND on Nguyen Van Dao scholarships to award to students, a 29% increase over 2021. 12,476 students with excellent academic achievements or exceptional talents in many provinces across the country were awarded.

### • The English Teaching Volunteering Program for children in the highlands

The volunteer project called “Sowing words in the highlands” was jointly organized by the FEC English Club of FPT High School in Hanoi and the Department of Education and Training of Meo Vac district, Ha Giang province, with the desire to help students in the uplands learn and hone foreign language skills. The project was implemented in three communes of the Meo Vac district with 100 students. By the end of January 2023, the FEC Club of FPT High School in Hanoi is expected to launch three to five more English classes in other primary schools in the Meo Vac district, bringing the total number of students to 300. In addition, the Club will make efforts to call for sponsors to equip the children with necessary learning materials, such as textbooks and flashcards, to make their lessons more interesting, making an impact on the Community.

### • VioEdu – the Edtech solution with 15 million users

VioEdu is the Edtech solution with 15 million users and the only virtual platform that integrates teaching and learning tools to serve students, teachers, and school managers. Due to vivid graphics and the gamification methodology, VioEdu excites learners with its good content. In addition, AI and Big Data allow the app to point out students’ strengths and weaknesses and suggest an improvement roadmap with 95% accuracy.

During the two years of Covid-19, VioEdu supported thousands of schools in deploying virtual classes and assessment sessions quickly and synchronously. In March 2020, VioEdu received a Certificate of Merit from the Ministry of Education and Training for its contributions to the education industry during the pandemic.

By the end of 2022, there were 40 local departments of Education and Training accompanying VioEdu to organize competitions for their students. After three years of launch, the system recorded 15 million users and 1.8 million active accounts.

### • Violympic

2022 marked the 15th year of Violympic – the online competition in mathematics and physics for students nationwide. Based on the results and validity of the national finals, 7,455 students out of 64,569 participants won prizes in three subjects: Math in English, Math in Vietnamese, and Physics. More specifically, 814 students won the gold prize; 1,347 students got silver prizes; 2,149 students won bronze prizes; and 3,145 students won the Consolation prize.

From an online math competition in Vietnamese, Violympic expanded to Math in English and Physics. From the scale of 40,000 students participating, Violympic has become the playground of nearly 40 million students in 63 provinces and cities nationwide, with almost 100 million practice sessions recorded annually. At times, Violympic received more than 300 million visitors/month with 200,000 simultaneous visits.

## Connecting the happy community

### • FPT Day for the Community

Since 2010, March 13 has been chosen as “FPT Community Day” for employees to participate in social contribution activities. The Day has gradually become one of the humane cultural identities of FPT employees. In order to spread kindness and engage each employee in volunteering activities to support disadvantaged groups in society, FPT encouraged employees to contribute at least one day’s wages to the FPT Fund for the Community.

### • The “Step up to school” program

Launched in 2018, the program called “Step up to school” (Vietnamese: Nâng bước em đến trường) helps build concrete bridges in the Mekong Delta provinces. In addition to keeping children safe, the program also enhances quality of life and improves social security for local people. By 2022, 250 solid bridges were constructed in the Southwest region, based on the cooperation of local leaders and people and especially the participation of youth union members and farmers with tens of thousands of working days.

Concrete and reinforced “Hope” bridges gradually replaced temporary, wooden, and degraded bridges. Bridges ensure trade convenience and shorten the distance between communes/hamlets. They also facilitate travel for students and residents, achieving rural development in the Mekong Delta provinces.

### • Blood donation

Blood Donation Day is regularly held with the desire to enhance the spirit of solidarity and support less fortunate people in society. With the motto “a few drops of blood can save a life”, blood donation has become a jewel in the crown of FPT’s annual charity and social activities. In 2022, 1,545 FPT employees participated in giving blood, with 2,138 blood units donated. This activity encourages everyone to make an impact and keep positive energy together toward a happy community.

### • The “Happy House” project

Launching in September 2022, FPT completed 100 “Happy houses” for Vietnamese Heroic Mothers, families under preferential treatment, and poor households within just four months. The total amount of spending was 6 billion VND. The “Happy House” project is sponsored by FPT Corporation, operated by the Hope Foundation, and supported by the authorities of the Hoc Mon and Cu Chi districts. Through constructing and improving houses for Vietnamese Heroic Mothers, families under preferential treatment, and poor households who couldn’t afford the repair costs, FPT expressed gratitude to people with meritorious services to the national revolution.

## Managing for sustainable development results

On the basis of complying with the provisions of Vietnamese relevant legislation on its operating sectors and in accordance with international standards, FPT builds and maintains a unified management framework. It includes the Corporate Charter, governance regulations, and a documentation system throughout the Corporation, ensuring the implementation of a professional, efficient, and disciplined management system.

Thus, FPT not only promotes the most important principle of corporate governance - which means the highest benefits for shareholders - but also harmonizes development goals, creates satisfaction, and is demonstrative in its social and environmental responsibilities.

### Management processes that meet and adhere to international standards

#### Applying international-standard management procedures

Constantly improving the efficiency of corporate governance and production management is the most effective way to ensure customer satisfaction, enhance competitiveness and provide sustainable benefits to stakeholders. Moreover, this is indispensable for maintaining compliance and achieving sustainable development goals according to international standards.

In 2022, FPT continuously implemented the OKR management method throughout the Corporation. The OKR methodology helped maintain the consistency between personal targets and the objectives of their department, subsidiary, and the entire Corporation. It contributed to improving operational efficiency and labor productivity as well. Objectives and key results of the Corporation, its subsidiaries, functional departments, and all individuals were measured, updated, and monitored by the OKR online management platform to accurately track goal completion rates while adhering to the annual targets.

In addition, FPT's overall activities and operations in each core field were well-recognized with prestigious international standard certifications.

No	Sector	Certifications
1	The Corporation	<ul style="list-style-type: none"> <li>ISO 9001:2015: Quality Management System Standard;</li> <li>OKRs: A set of quality evaluation criteria in accordance with objectives and key results.</li> </ul>
2	Technology	<ul style="list-style-type: none"> <li>ISO 9001:2015: Quality Management System Standard;</li> <li>ISO/IEC 27001: Information Security Management Standard;</li> <li>ISO 22301: Societal security — Business continuity management system standard;</li> <li>ISO/IEC 27017: Code of practice for information security controls based on ISO/IEC 27002;</li> <li>HIPAA: The US Health Insurance Portability and Accountability Act of 1996;</li> <li>CMMiDEV/ 5: Capability Maturity Model Integration CMMI – Maturity Level 5;</li> <li>ISO/IEC 20000-1: 2018: IT service management system standard;</li> <li>TMMi Certitiec level 5: Test Maturity Model integration level 5;</li> <li>A-SPICE: Automotive - Software Process Improvement and Capability determination;</li> <li>TISAX – Level 3: The assessment and exchange mechanism for information security;</li> <li>ISO 14001:2015: Environmental management system standard;</li> <li>ISO 13485: Medical Devices Management System Standard;</li> </ul>
3	Telecommunications	<ul style="list-style-type: none"> <li>ISO/IEC 27001: Information Security Management System Standard;</li> <li>ISO/IEC 27017: Code of practice for information security controls based on ISO/IEC 27002 for cloud services;</li> <li>Uptime Design Tier III: Data center tier standard - The infrastructure is designed to ensure redundancy and no interruption in maintenance;</li> <li>PCI DSS: The global data security standard that any business of any size must adhere to in order to accept payment cards;</li> <li>TIA 942B Constructed Facility Rated 3: Standard on setting up and operating data center infrastructure - The infrastructure is designed to ensure redundancy and no interruption in maintenance;</li> <li>ISO 22301 Business Continuity Management System Standard.</li> </ul>

No	Sector	Certifications
4	Education	<ul style="list-style-type: none"> <li>International QS 3-star ranking (one of the leading standards for ranking universities worldwide);</li> <li>ISO 21001:2018: International Certificate for Educational Institution Management System;</li> <li>Standards for accreditation of educational institutions promulgated by the Ministry of Education and Training;</li> <li>Standards for accreditation of educational institutions promulgated by the Ministry of Labor, War Invalids, and Social Affairs.</li> <li>Quality accreditation by ACBSP (US) - one of the leading global accrediting organizations in the economic sector;</li> <li>Member of ASEAN University Network-Quality Assurance network - AUN-QA;</li> <li>Member of AACSB Accreditation Organization - one of the leading global accrediting organizations.</li> </ul>

#### Integrating sustainability in the supply chain and improving the procedure of selecting service providers

Integrating sustainability issues into service purchasing and consumption decisions helped reduce economic, social, and environmental risks and enhance supply chain management. Therefore, the procurement plan was evaluated, carried out, and supervised by the Purchasing Department, which clearly described the separate processes and regulations for each group of services and goods.

The procurement management complied with regulatory requirements, a sense of responsibility for environmental protection, and business ethics right from the first evaluation stage. Suppliers were simultaneously selected based on a set of criteria, including price, reputation, quality, delivery readiness, social responsibility, and environmental protection. The selection benchmarks could be flexibly changed depending on each type of goods or service, which led to the most suitable choices and ensured the highest benefits for all parties. They were calculated on different scales and weights based on the group of services or goods to be purchased.

### Data management

#### Methodology

The activities of collecting, processing, archiving, and using data of related parties in the data management process are regulated uniformly throughout the Corporation to ensure the following criteria:

- Confidentiality;
- Integrity;
- Availability;
- Accessibility and quality of data.

#### General principles

The collection, processing, storage, and use of data are subject to the following principles:

- Legality:** All actions taking place inside the data management system must comply with the provisions of the Law;
- Proper purposes:** Data is processed only for registered and approved legitimate purposes.
- Data quality:** Data must be available, complete, and fit for use throughout its life cycle;
- Confidentiality:** Information security in data collection, processing, storage, and usage must be guaranteed. Do not disclose confidential information to anyone outside the organization except in cases of work requirements. Accordingly, appropriate safeguards must be conducted, such as making confidentiality agreements with related parties before the disclosure;
- Management:** FPT Joint Stock Company (FHO) has the full rights to collect, exploit, use, and manage the customer data of the Corporation and its subsidiaries in order to adjust, get updated, and secure the information. Also, the data can be used for the purpose of improving the products, services, applications, and devices the Corporation provides to its customers.

## Management model

The data management system consists of functional blocks:

- Collecting and archiving.
- Extracting valuable data
- Analyzing to correspond to multiple purposes

The management system allows the data to be centralized, exploited, used, and archived in a scientific and controlled manner. The Corporation also utilizes technology in data management and especially promotes data governance to each subsidiary for the most flexible and purposeful data delivery.

FPT's data management model is defined to ensure the following factors simultaneously:

- Leadership is committed to the highest levels while collecting, processing, storing, and using data.
- Authoritative determination of the Corporation's data-related decisions.
- Defining standards, procedures, and processes to guide the management and exploitation of data.
- Identifying technology and infrastructure to be used uniformly in the Corporation to ensure safety and security when exploiting data.
- Enforcing strictly relevant policies issued throughout the Corporation.
- Monitoring compliance and identifying risks in the event of data leaks.

## Customer data privacy and security

The Corporation respects the personal privacy of all individuals, including employees, customers, partners, suppliers, and their data confidentiality. Accordingly, it may collect and use personal data following corporate values on a legal basis.

FPT Corporation and its subsidiaries always manage to protect the privacy of customers' personal information. We take all possible technical measures to ensure completeness and accuracy while collecting, processing, and sharing our customers' personal data. In addition, we guarantee that all essential information security measures are in place to prevent any illegal access, collection, use, disclosure, copying, or processing of customers' data. FPT requires all organizations or individuals we share the information to comply with the Privacy Policy strictly.

## Scope of corporate policies and the incident response plan

The data protection policy is applied thoroughly across the Corporation and its subsidiaries in accordance with governance standards.

Response plans when data security incidents arise fully adhere to two levels:

- Prevention: Based on understanding the root causes, prevention plans will also be devised and strictly enforced.
- Remedy: Immediately, security breaches will be prevented, and highly specialized security departments will remedy security holes. Impact assessment to check relevant data areas will also be performed to avoid outbreaks.
- The critical point of all the above data safety plans is that all procedures and actions are systematically designed throughout the Corporation. The tasks and responsibilities of each department are strictly controlled, monitored, and reported by a specialized department.

## Data security training programs

Training programs on data security, risks, and security-related processes were periodically conducted for all employees on FPT's online learning platform. In addition, all new staff is well-trained in data security regulations, methods, principles, and behaviors based on hypothetical scenarios.

The department in charge of the data management system conducts training for personnel operating the system periodically or when making any changes.

## Risk management

Despite the complicated developments of the economy in the post-Covid-19 period, the remarkable results and social contributions throughout 2022 demonstrated FPT's practical risk management efforts, especially in terms of sustainable development.

### Risk identification and management

Depending on the characteristics of each business sector, the risk management framework will be directed, approved, and improved by the CEO every year. In terms of sustainable development, FPT identified four core risk groups.

#### Strategic risks

Type	Description	Risk management measures
Strategic risks	Strategic risks can lead to misidentifying the development orientation, which means unreasonable investment allocation as well as failure to explore new business segments and launch high-value products/services to meet market demands.	<ul style="list-style-type: none"> <li>• Participating in major economic and technological events globally to get updates on the latest tech trends and explore new business opportunities;</li> <li>• Organizing annual strategic governance conferences to keep abreast of the latest trends in business and technology, thereby consistently and promptly adjusting the visions and strategies.</li> </ul>
Competitive threats	Most of the Corporation's business sectors have low entry barriers and yet have faced enormous challenges as foreign or emerging competitors arrive and seize market shares.	<ul style="list-style-type: none"> <li>• Providing end-to-end services and gradually enhancing its prestige in the IT value chain. This strategy will help continuously improve the competitiveness of the Corporation;</li> <li>• Promoting staff training and development, especially for technologists, in order to enhance technological capabilities and meet competitive needs.</li> <li>• Continuously enhancing business models, information systems, and internal processes to optimize operations and expenditures based on modern corporate governance systems;</li> <li>• Promoting in-house digital transformation to assure unified and transparent operations toward a real-time data-driven corporation. This significant factor helps build competitiveness, steadily overcoming challenges as economic recovery suffers after the Covid-19 pandemic. In 2022, the concentration on in-house digital transformation significantly enhanced the Corporation's management, operations, and business activities.</li> </ul>

## Operational risks

Type	Description	Risk management measures
Risks of information disclosure	Information disclosed needs to be timely, complete, and accurate.	<ul style="list-style-type: none"> <li>Fully updating regulations related to information disclosure for listed companies.</li> <li>Setting up internal processes of information provision and disclosure to provide timely, accurate reports on operational and financial activities;</li> <li>Keeping regular contact with the person in charge of information disclosure at SSC and HOSE to monitor the sufficiency and accuracy of information to be disclosed.</li> </ul>
Human resource risks	The risks occur in attracting talent; or the need for more HR quantity and quality to keep up with business growth and meet international standards for global expansion.	<ul style="list-style-type: none"> <li>Making FPT a learning organization, developing a highly qualified workforce, and being well-organized toward a long-term vision. In 2022, training programs were widely deployed throughout the Corporation, with 676,127 training sessions. The number of technology certificates also increased from 4,768 in 2021 to 8,712 in 2022</li> <li>Developing fair, transparent, and competitive remuneration policies based on the "Do more – Get more" criteria. Employees' income would be commensurate with their performance and contribution to the organization. Additionally, FPT also implemented other policies such as housing and vehicle subsidies;</li> <li>Creating an equal and happy work environment to enhance the employer brand and gain more talent;</li> </ul>
Reputation/ brand risks	A bad reputation significantly impacts businesses in terms of brand image and monetary effects.	<ul style="list-style-type: none"> <li>Developing a customer feedback system for gathering and implementing consumer opinions to adjust customer services promptly. Periodically surveying stakeholders' satisfaction;</li> <li>Setting up a process of crisis communications management;</li> <li>Developing the media code of conduct;</li> <li>Monitoring daily and hourly information related to the Corporation and its subsidiaries on media and social networks to promptly handle the potential reputational crisis.</li> </ul>
Information security and cyber security risks	Information is one of the most valuable assets of an organization. However, information risks, such as data leakage, alteration, or loss, seriously affect business reputation and strategies.	<ul style="list-style-type: none"> <li>Thoroughly applying anti-data loss and system safety measures to ensure the IT security of the Corporation;</li> <li>Increasing investment in cybersecurity systems and solutions, revising processes, and applying the latest security standards. In addition to outsourced systems, FPT has been developing some cybersecurity products, such as CyRadar and FPT EagleEye.</li> </ul>
Exchange rate risks	Exchange rate fluctuation is a potential risk in FPT's overseas IT services.	<ul style="list-style-type: none"> <li>Strictly monitoring factors that affect foreign exchange rates, diversifying resources of foreign-earned income;</li> <li>Applying exchange rate hedging policies, especially for Japanese Yen;</li> <li>Using currency swaps to hedge against possible exchange rate risks with foreign currency loans;</li> <li>Deploying flexible sales policies based on exchange rate fluctuations.</li> </ul>

## Financial risks

Type	Description	Risk management measures
Ordinary business risks	Risks in business activities include bad debts and high inventories.	<ul style="list-style-type: none"> <li>Complying with sales-purchasing processes and contractual management procedures... to reduce operational risks in business;</li> <li>Utilizing AI and data analytics to create the solution for procurement optimization. The solution helped scan and identify products to be purchased, recommend suitable suppliers, then track and spot suspicious transactions in the procedure-to-pay process with vendors.</li> <li>Building the AI-based solution to predict how likely a customer will churn or different reasons trigger customers to terminate their contracts while using telecommunications and television services. Then, the solution supported the customer care team to implement proactive loyalty programs, promptly identify customer complaints, and advise for handling, which enhanced customer retention.</li> <li>Creating liability management and inventory management policies;</li> <li>Developing an automated monitoring and approving software system to improve management efficiency and minimize risks;</li> <li>Strictly analyzing and monitoring overall business processes right from the stage of quantifying customer needs.</li> </ul>

## Regulatory risks

Type	Description	Risk management measures
Regulatory risks	FPT's growing scale of operations has gone beyond Vietnam's territory. The global expansion requires compliance with local legislation, especially the Law on migrant workers in the countries where FPT operates. Besides, cultural differences in a multinational workforce and among its partners present increasing challenges.	<ul style="list-style-type: none"> <li>Swiftly following the policies and crucial directions of the Government and state agencies; actively researching and making recommendations to competent authorities in order to promote the role of IT in boosting economic growth;</li> <li>Researching, keeping abreast of and complying with provisions, and respecting the cultural and business environment of international markets;</li> <li>Proving training courses in local cultures and laws.</li> </ul>

## Risk assessment in 2022

To ensure control of all possible risks, the Corporation and its subsidiaries:

- Consolidated the internal control system and risk management policy throughout the Corporation and its subsidiaries.
- Monitored compliance with legislation while implementing business activities of the Corporation and its subsidiaries.
- Coordinated with specialized departments of the Corporation to irregularly and periodically inspect subsidiaries.
- Supervised activities between FPT/subsidiaries and its suppliers/partners to ensure equality, transparency, and the highest benefits for all parties; prevent and minimize risks in business activities.
- Proposed solutions to manage potential risks that may occur in the operations of FPT and its subsidiaries.



## Corruption- and tax-related risk management

### Conflicts of Interest Principles

FPT Corporation always takes precautions against conflicts of interest and strictly handles any violations of financial discipline. Avoiding conflicts requires employees to practice the following codes of conduct:

- Avoid conflicts of interest in business investment that negatively affects decision-making and the interests of the Corporation.
- Avoid conflicts of interest with investment activities of employees' relatives. Employees must declare to the Corporation and report to their line managers if any relatives contribute capital to or hold executive positions at any companies on the list of FPT's customers, suppliers, or competitors.
- Avoid conflicts of interest in giving and receiving gifts within FPT Corporation.
- Avoid conflicts of interest in employee selection and promotion. Be transparent in the selection and management of human resources, following clear evaluation criteria of capacity, experience, and skills that meet the actual needs of the Corporation.

### Anti-corruption and fraud policy

As one of the large-scale enterprises operating in various countries, FPT developed and published a code of conduct. It laid the foundation for the Corporation's activities, ensuring that personnel at all levels and departments comply with the internal and external code of conduct to prevent conflicts of interest, fraud, and corruption.

Accordingly, the Corporation set out principles to ensure internal confidentiality and a code of behavior for people outside the organization to ensure equal and civilized competition and compliance with relevant legislation. In addition, it also defined clear regulations and policies for employees to avoid conflicts of interest in receiving gifts, whether directly or indirectly in any form. Gifting was stipulated to be conducted by FPT's representatives on behalf of the Corporation.

It was strictly prohibited to take advantage of the company's brand name in gift giving to perform bribery acts to customers or any other third party. In addition, acts of abusing their power or personal relationships at the company to illegally influence competent parties in employee selection or promotion to gain private benefits were also considered violations of the code of conduct.

### Compliance with tax regulations

FPT always complies with all strict tax regulations in Vietnam as well as the countries and territories worldwide where it operates. It built a transparent and effective management system and promoted the digital transformation of the internal financial and accounting system. In 2022, FPT put into application the Internal CIT Management System globally, enabling business units operating in all countries around the world to identify, manage and track CIT obligations, including temporary differences in tax accounting and/or deferred tax liabilities, thereby minimizing the risk of tax penalties and loss of tax assets. In addition, FPT continuously organized internal inspection and control meetings to ensure the compliance of the entire system with relevant local tax regulations for related industries.

### Anti-corruption policy for suppliers

FPT, together with its direct and indirect subsidiaries, had a zero-tolerance policy against bribery and corruption of any kind. The purchase of goods and services and the selection of suppliers should be made based on actual needs. Quality, price, and criteria are determined specifically and reasonably and must put the organizational interests first. FPT also expected its customers and suppliers to behave in a civilized manner, comply with the Law, and in accordance with the following principles:

- Do not directly/indirectly offer, promise or authorize payment of any money or material benefits to any employee, leader, or third party of FPT to achieve improper advantages.
- Do not suggest, solicit, or accept any money or material benefits from any employee, leader, or third party of FPT in exchange for improper advantages;
- Do not instigate or assist others in violating the above policies. If any violation is detected, it should be reported immediately to FPT and related parties;
- Suppliers should keep accurate and complete documents, records, and books for future retrieval. Invoices should be fully kept with receipts and other supporting documentation for any expenses paid on behalf of the Corporation.

In the event that FPT reasonably suspects any supplier violated these terms, it may terminate/restrict the business relationship with the supplier. In addition, any employee found to be infringing or assisting others to violate the above principles may be subject to appropriate disciplinary actions.

## Internal control

### Internal control model

In order to improve the governance capacity of FPT and its subsidiaries as well as ensure transparency and the interests of shareholders and stakeholders, FPT designed an internal control system in compliance with relevant legislation and in reference to international standards.

Subject	Responsibility
Chief Executive Officer	<ul style="list-style-type: none"><li>• To review and approve the compliance control plan.</li><li>• To direct the resolution of issues and the system improvement.</li><li>• To develop, approve, implement, and control the risk management framework of the Corporation.</li></ul>
Head of Compliance Monitoring Department	<ul style="list-style-type: none"><li>• To organize the control of compliance with legal requirements and high-risk areas/activities in corporate governance.</li><li>• To organize inspection sessions at the request of the BOM.</li></ul>
Chief Quality Officer	<ul style="list-style-type: none"><li>• To organize the control of compliance with governance system requirements.</li><li>• To organize inspection sessions at the request of the BOM.</li></ul>
Head of functional departments	<ul style="list-style-type: none"><li>• To review and update the corporate governance documents to ensure compliance with legal requirements, national and international standards, and actual operations.</li><li>• To coordinate with the Quality Assurance Department and the Compliance Monitoring Department to control activities, solve problems, and enhance the system.</li></ul>

To ensure practical internal control activities and minimize risks mainly related to sustainable development, FPT also developed a detailed plan to operate the internal control system. Accordingly, the Head of Compliance Monitoring Department, the Chief Quality Officer, and the Heads of functional departments are responsible for developing compliance control plans corresponding to their scope of work.

For reviewing the system to make timely adjustments, FPT implements unscheduled control sessions depending on the business situation.

### Internal control activities in 2022

During the year, FPT implemented key control activities, including:

- Consolidating the internal control system and risk management policy throughout the Corporation and in subsidiaries.
- Supervising compliance with legal regulations in the management and operation of business activities of the Corporation and its subsidiaries.
- Coordinating with specialized departments of the Corporation to irregularly and periodically inspect subsidiaries.
- Supervising activities between FPT/subsidiaries and its suppliers/partners to ensure equality, transparency, and the highest benefits for all parties; prevent and minimize risks in business activities.
- Proposing solutions to manage potential risks that may occur in the operations of FPT and its subsidiaries.