2015
SHARED VALUES
SUSTAINABILITY REPORT
"If you want to go fast, go alone. If you want to go far, go together."

Warren Buffett
VISION
Maintain our position as the leading financial-insurance group in Vietnam, with enhanced international competitiveness and solid financial strength, ensuring strong and sustainable business growth.

MISSION
To ensure the peace of mind, prosperity, and long-term benefits for our customers, investors, employees and community.

CORE VALUES

DYNAMIC
Be dynamic and open to new ideas and opportunities.

APPROACHABLE
Make yourself approachable and serve your customer professionally, and as you would like to be served yourself.

RESPONSIBILITY
Behave responsibly to customers, the community and each other, and act with integrity.

TEAM SPIRIT
Keep the team spirit alive and treat your colleagues with respect.

QUALITY
Improve the quality of everything you do and reach for a higher standard.
Vietnam Insurance Company was founded on 15 January 1965 to undertake non-life business.

Baoviet established the first life insurance company in the market, making it Vietnam’s first life and non-life insurance provider.

Baoviet Securities Joint Stock Company was incorporated as the first securities company in Vietnam.

Baoviet Fund Management Company was established.

After a successful initial public offering (IPO), Baoviet Financial Insurance group was incorporated. HSBC Insurance acquired 50% stake in Baoviet.

Baoviet Continental Joint Stock Bank was established.

Baoviet Holdings was listed on the Ho Chi Minh City Stock Exchange (Code: BNV). Baoviet Invest Joint Stock Company was established. HSBC Insurance increased its stake in Baoviet to 18%.

Baoviet launched a new brand identity.

Baoviet Holdings increased chartered capital to VND6,035 billion by issuing additional shares to existing shareholders.

Sumitomo Life became strategic investor of Baoviet. Baoviet Bank increased chartered capital to VND6,000 billion.

Baoviet Insurance and Baoviet Life increased chartered capital to VND2,000 billion.

Baoviet, in support of the government’s initiatives, contributed to the investment climate improvement and social welfare enhancements.

Baoviet celebrates the 50th anniversary of establishment.

Baoviet enhances investment for Sustainable development.

Baoviet Fund Management Company was established.
01 REPORT OVERVIEW

- Introduction of the Report
- Independent Assurance Report from PwC Vietnam
- Chairman’s Message
- Business information
- 2010-2015 Key performance indicators (KPIs)
The Report reflects the key activities of Baoviet Holdings and other subsidiaries of Baoviet (hereinafter referred to as “Baoviet”) related to Sustainability issues in 2015. Baoviet approaches our sustainability elements based on our long-term economic development target, in corporation with social development and environmental protection targets, all in all we aim at contributing to community development.

Baoviet proactively shares our sustainability content to stakeholders in order to understand their concerns and interests. We continue to evaluate these concerns in relation with current business operation and sustainability development strategy to determine key sustainability factors and base on them to review and improve the contents of Baoviet 2015 Sustainability report.

**Scope of the Report:** Parent company – Baoviet Holdings and other subsidiaries of Baoviet Group. The energy consumption, the percentage of management from local community; assessment of suppliers on labor practices and environment; employee training and education; local community involvement activities are collected from the parent company only.


**Report standard applied:** The Report is prepared “in accordance” to the criteria of Reporting principles and standard disclosures and guideline GRI G4. It also applied indicators from the Global Reporting Initiatives for Financial sector G4 (FS) – See details in the Global Reporting Table of content from GRI.

**Contact:** For further questions and recommendations related to the Sustainable development activities of Baoviet as well as the contents of the Report, please contact us at the following information:

**Mr. Do Truong Minh**
Chief Operations Officer

+84 439289999
thongvin@baoviet.com.vn
Baoviet Holdings, 8 Le Thai To, Hang Trong Ward, Hoan Kiem District, Hanoi

Please participate in our survey attached at the link below:

Your opinions would facilitate our decision making process to fulfill our mission “To ensure the peace of mind, prosperity, and long-term benefits for our customers, investors, employees and community”.

**REPORT ASSURED BY PwC VIETNAM**

In 2015 for the first time Baoviet applied assurance service for Sustainability report. The indicators selected to be assured belong to core areas which Baoviet invested in the last year include: Proportion of senior management hired from the local community at significant locations of operation (G4-EC6), Percentage of new suppliers that were screened using environmental and labor practices criteria (G4-EN32; G4-LA14), Average hours of training per year per employee by gender, and by employee category (G4-LA9), Percentage of operations with implemented local community engagement, impact assessment, and development programs (G4-SO1) and Energy consumption within the organization (G4-EN3).
United Nations Climate Change Summit COP21 held in Paris (France) in December 2015 marked an important historical milestone to the world by officially approved a global agreement on the reduction of climate change. Vietnam joined by over 190 countries, committed to cut carbon emissions to reach a goal of limiting global warming to less than 2 degrees Celsius, and pursues efforts to limit the temperature increase to 1.5 degree Celsius compared to pre-industrial levels. At the Summit, Vietnam pledged to reduce greenhouse gas emissions by 8% by 2030, which reflected our determination and engagement in supporting the international community with creating a more safe and sustainable future.

Baoviet aims to contribute efforts to the nation’s goal, turning commitment into action. We are putting together the indicators to control and measure energy consumption, and proposing energy saving solutions at our offices and headquarters. In 2015, Baoviet incorporated sustainability in supplier evaluation and selection process, adopted the principles of responsible investment in our investments and capital contributions, standardized our Code of Conduct and corporate culture… with a view to build a sustainable corporate value chain that, in its turn, will generate remarkable influences on companies, organizations, and stakeholders within our operations network.

Shaping a sustainable future for Vietnam in particular and the world in general cannot be possible without the support of the whole community including individuals and entities. Each of us plays a crucial role in achieving this goal. Together we share the beliefs of a better world and determination to deliver Vietnam’s commitment “Bringing a more healthy and beautiful life to our people and future generations.”
INDEPENDENT ASSURANCE REPORT

To Board of Directors of of Bao Viet Group

We have been engaged by Bao Viet Group (the BVG) to perform an independent limited assurance engagement on selected non-financial data (selected Sustainability Indicators) as reported by Bao Viet Group in Bao Viet’s Annual Sustainability Report 2015.

Management’s Responsibility

The management of BVG is responsible for the preparation of Bao Viet’s Annual Sustainability Report 2015 in which the selected Sustainability Indicators are presented. The responsibility includes the selection and application of the appropriate method to Bao Viet’s Annual Sustainability Report 2015 as well as the design, implementation, and maintenance of systems and processes relevant for the preparation. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Bao Viet Group which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to provide a conclusion on the selected Sustainability Indicators based on our evidence-gathering procedures performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 “Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.” This standard requires that we comply with ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

The accuracy and completeness of the selected Sustainability Indicators are subject to inherent limitations given their nature and methods for determining, calculating, and estimating such data. Our assurance report should therefore be read in connection with Bao Viet Group’s procedures on the reporting of its sustainability performance. In an all limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Subject Matter

The selected Sustainability Indicators on which we provide limited assurance, consist of:

- Energy consumption (G91) (page 132);
- Percentage of management from local (G1) (page 105);
- Assessment of suppliers on: labor practices (G1) (page 87);
- Assessment of suppliers on: environment (G1) (page 87);
- Employee training and education hours (page 104); and
- Local community involvement activities (VHD/Vietnam Dong) (page 121).

PricewaterhouseCoopers (Vietnam) Ltd.
1608 Floor, Keangnam Hanoi Landmark 79, 102 Hang Trong Road, Ba Dinh District, Hanoi, Vietnam
T: +84 4 3948 2100, www.pwc.com/vn

Criteria

Bao Viet Group’s principles on internal sustainability reporting by which the selected Sustainability Indicators are gathered, collated and aggregated internally.

Main Assurance Procedures

Our work, which involves no independent examination of any of the underlying financial information, included the following procedures:

- Inquiries of personnel responsible for internal reporting and data collection at the corporate and business unit level for the selected Sustainability Indicators;
- Inspection on a sample basis of internal documents, reports, and invoices provided by Bao Viet Group and by external service providers;
- Review the appropriateness of the management, reporting and validating processes for the selected Sustainability Indicators and assessing the collation and reporting of data at the corporate level and business unit level as and when appropriate.

Conclusion

Based on the work described above, in all material respects, nothing has come to our attention that causes us to believe that for the year ended 31 December 2015, the selected Sustainability Indicators, have not been fairly stated in accordance with Bao Viet Group’s principles on internal sustainability reporting.

Use of our report

This report has been prepared solely for the Board of Director of Bao Viet Group and for the purpose of reporting on the Sustainability Indicators in Bao Viet Group’s Annual Sustainability Report 2015. We do not accept or assume responsibilities to anyone other than the Board of Directors of the Bao Viet Group for the content of the report.

[Signature]
Hoang Thi Lan
Director General Director
Authorized signatory
Hanoi, Vietnam
14 April 2016
Upon the challenging competition in such era of integration, Baoviet is committed to ensure the sustainable development with concrete business growth, a view to establish solid financial capability and enhancing international competitiveness. We believe that the key solution to create efficient resources contributing to the society and environment lies in Baoviet’s assured commitment in the steady internal growth.

In 2015, Vietnam excelled in the economic development driven by the conclusion of International trade agreements and highlight events, which include our participation in ASEAN Economic Community (AEC), signing of Trans-Pacific Partnership (TPP), European Union – Vietnam Free Trade Agreement (EVFTA), and Free Trade Agreement between Korea and Vietnam. While this obviously poses new opportunities for enterprises in their business expansion to International markets, domestic players are also put under pressure of the challenging competition with multinational companies that boast local experience and expertise.

However, aside from a number of countries and enterprises greatly benefiting from the successful strategic cooperation in terms of military, economy, and trade, we also notice that political turbulence, environmental issues, and social unrest are impacting on the growth of several nations and regions. Our lives are endangered by high level of pollution that leads to the increasingly high number of people suffering from fatal diseases, unpredictable climate with the strongest storms and floods, prolonged drought ever, and military conflicts resulting in a dramatic increase of illegal immigrants to the Europe or the immigration crisis in 2015.

2015 was a challenging year for Baoviet, yet providing Baoviet a precious opportunity to accelerate growth, create breakthrough changes to drive for stronger and more sustainable developments. Thanks to our solid foundation of 50 years of resilient business growth, Baoviet has maintained the position as Vietnam’s leading Finance-Insurance group. Confronting the challenges of competition in an integrated economy, Baoviet is committed to sustainable development by ensuring concrete business growth, with a view to establish strong financial capability and enhance international competitiveness.

By discussing and working with related stakeholders, we are fully aware that in order to achieve the sustainable development goal, aside from revenue and profit targets, community development contribution and environmental protection efforts are also of our concern; each enterprise plays an important role in contributing to the nation’s growth. This can be possible only with the support of the community as a whole, including the attention of individuals and the hard work of organizations.

In 2015, Baoviet proactively invested in sustainable development initiatives. As aiming at 'turning words into action', Baoviet continued to convert sustainable development strategies into specific actions, including: to better incorporate environmental, social, and governance (ESG) factors in the value chain by evaluating and selecting environmental and social responsible suppliers, and in the process of investment, capital contribution, and project management. Baoviet also established separate policies and provisions on
environmental and social responsibility according to the Code of Conduct and Business Ethics, published Baoviet Corporate Culture Handbook to enhance the engagement of employees and promote the core values.

In response to social insurance fund and social welfare issues caused by an increasing proportion of the elderly in Vietnam, Baoviet focused more on market research and product development, and launched voluntary pension insurance "Huu tri vung nghiep" in November 2015. This product and the compulsory pension insurance have been combined to shape a comprehensive, complete, diversified social welfare system that accommodating the pension insurance needs of employees across all economic sectors.

In 2015, Baoviet concentrated on the Education and youth project by sponsors ten billion Vietnam Dong for the National Economics University and the Academy of Finance. Aside from the scholarships for excellent students, we coordinate with the schools to conduct in-depth training and research to enhance corporate governance knowledge and to propose research thesis with high applicability in specific business areas in contribution to support professional tasks of employees as well as the long-term corporate strategy in human resources for Baoviet.

With the objective to ensure the transparency of our financial and non-financial information for investors and concerning parties with comprehensive strategic insights on our business, Baoviet has our Sustainability Report audited. We proudly represent this Sustainability Report as one of Vietnam’s very first sustainability reports being audited by an independent audit company. In Baoviet’s viewpoint, the sustainability report is such an accurate tool for each company to measure the effectiveness of sustainable development strategy annually. Consequently, the Sustainability Report is always under the primary focus of Baoviet for better operating efficiency and provision of information to stakeholders.

Exceeding the target on the revenue growth as well as maximizing the values to our shareholders, Baoviet as the leading Finance-Insurance Group in Vietnam understands our responsibilities to contribute the environment and society for such sustainable future. Let’s join hands to make a greener, healthier planet, a better life for our people and future generations.

Chairman of Baoviet

Dao Dinh Thi
Baoviet proactively takes part in shaping the insurance market and capital market of the financial sector of Vietnam. Baoviet plays a key part and is a typical success story in the State-owned enterprise equitization process, achieving a lot of comprehensive innovations. We are making efforts to continue to accelerate next steps of equitization process by reducing the proportion of the State-owned shares, looking for a new foreign strategic partner to increase business performance effectiveness.

Baoviet remains a pioneer in socially responsible insurance plans, such as agriculture insurance, natural disaster risk insurance, export credit insurance, aquaculture insurance...

As Vietnam’s leading financial-insurance group, Baoviet boasts 50 years of development history, the top reputational brand on the market, a team of more than 70,000 employees, agents consultants with the most extensive experience in the financial-insurance market. Large-scale distribution network that includes 168 branches, over 700 insurance transaction offices in all cities and provinces of Vietnam, which is difficult to find elsewhere in Vietnam.

As a financial-insurance group taking lead in different businesses including non-life insurance, life insurance, fund management, securities and other financial services, with the non-life insurance arm’s gross written premium achieving VND6,429 billion, and the life insurance arm’s total premium reaching VND10,116 billion in 2015.

Baoviet has created a solid foundation making the momentum for a sustainable growth in the future and get ready to exploiting tremendous opportunities in Vietnam insurance-financial market.

Baoviet has consistently and steadily grown our revenue and profit over the years, in all businesses including insurance – investment – financial services.

Maintained our position as one of the financial organizations with the highest return on equity (ROE) and return on assets (ROA).

Baoviet remains a pioneer in socially responsible insurance plans, such as agriculture insurance, natural disaster risk insurance, export credit insurance, aquaculture insurance...

Baoviet is the public listed company with large market capitalization. BVH stock, with high liquidity is the most influential among other stocks of financial and insurance companies, and it is always included in the investment portfolio of international exchange traded funds (ETFs) in Vietnam.

The first State-owned enterprise to successfully seek attracts a foreign strategic partner.

Belong to the leading group of financial institutions has the highest dividend yield in the period of 2012-2015.
Baoviet Holdings operates in accordance with the 8th Amendment dated 02 August 2015 to the Business Registration Certificate No. 0100117671 issued on 15 October 2007.

Baoviet provides comprehensive financial-insurance services, including life insurance, non-life insurance, fund management, securities and investment...

INSURANCE

- General insurance: property insurance, loss insurance, aviation insurance, automobile insurance, loss adjustment
- Life Insurance: whole life insurance, term insurance, pure endowment insurance, endowment insurance, unit linked insurance...
- Reinsurance services

INVESTMENT

- Invest in subsidiary and associate companies, provide financial services and other businesses as regulated by the laws
- Real estate business and investment

FINANCIAL SERVICE

- Stock brokerage, proprietary, issue guarantee, investment advisory
- Manage securities investment portfolio
- Manage securities investment funds, securities companies
- Banking business

INSURANCE

- General insurance: property insurance, loss insurance, aviation insurance, automobile insurance, loss adjustment
- Life Insurance: whole life insurance, term insurance, pure endowment insurance, endowment insurance, unit linked insurance...
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- Stock brokerage, proprietary, issue guarantee, investment advisory
- Manage securities investment portfolio
- Manage securities investment funds, securities companies
- Banking business

NETWORK

Extensive distribution network at prime locations across the country, with the commitment to providing top quality service in the market.

Outstanding distribution capacity in the insurance sector with 127 branches in 63 cities and provinces, 700 insurance transaction offices throughout the country, and 41 branches and transaction offices providing securities, fund management and other financial services.

CUSTOMERS

Major customer bases are placed across cities and provinces nationwide.

Diversified customer segments (with low-medium-high income), in which middle-income customers accounting for large proportion.

Well-positioned in unlocking the potential of middle class and rural customer segments.

PRODUCTS & SERVICES

Most diversified product portfolio in the market, with 80 non-life insurance products, 40 life insurance products, also providing banking, securities, and fund management services.

Take the lead in developing financial and insurance products with protection, saving and investment features.

Actively conduct market research and develop products that satisfy potential demand of medical, health care, pension plan...

Pioneering in implementing insurance programs of the Government including agriculture insurance, export credit insurance, natural disaster risk insurance, fisheries insurance, and medical insurance, supplementary pension plan.

KEY BUSINESS AREAS

Branches located at key economic areas of the country such as Ho Chi Minh city, Hanoi, Da Nang, Nghe An, Hai Phong, Binh Duong, Dak Lak remain high performing units, contributing significantly (over 10%) to Baoviet’s total revenue.
Baoviet Governance Structure updated to 12/31/2015
2010 - 2015 KEY PERFORMANCE INDICATORS (KPIs)

**BAOVIET INSURANCE**
- Total revenue
- Gross written premium

**BAOVIET LIFE**
- Total revenue
- New business premium

**BAOVIET FUND**
- Total asset under management

**BAOVIET SECURITIES**
- Total revenue
- Owners’ equity

**BAOVIET INVEST**
- Total revenue
- Owners’ equity

2015 CAPITAL ADEQUACY AND SOLVENCY RATIOS

- **BAOVIET INSURANCE**: 113%
- **BAOVIET LIFE**: 121%
- **BAOVIET SECURITIES**: 735%
- **BAOVIET FUND**: 505%
SUSTAINABLE DEVELOPMENT IN BAOVIET

- 2015 Highlights
- Trend of Sustainable development
- 2016 – 2020 Sustainable development strategy
- 2016 Implementation plan
In 2015, Baoviet issued the Code of Conduct and Business Ethics in order to strengthen transparency in management policies and business principles of stakeholders (including internal and external parties). The Code consists of 3 chapters with 32 articles covering detailed regulations on responsibilities of Baoviet employees to comply to work ethics, information security and prevent discrimination, bribery, money laundry and terrorism finance. It also covers responsibilities of employees towards colleagues, customers, partners, vendors and other stakeholders.

This is our effort in implementing responsible actions, ensuring sustainable development via releasing mandatory standards applied for all leaders and staffs of Baoviet. Especially, article 28 and 29, Chapter 2, Code of Conduct and Business Ethics regulate over individual responsibility for community, society and the environment.

Baoviet’s Code of Conduct and Business Ethics is publicly released in Baoviet website. Please access the following address for your reference: http://goo.gl/cYX4kr

In 2015, Baoviet added Environment – Social and Governance features in our procedures of project investment appraisal, our agreements with vendors as well as other internal regulations and external commitments regarding sustainable development. We are step by step engaging sustainable development in business operation.

Throughout discussion and negotiation with stakeholders, Baoviet shared our goals and directions in sustainable development, hoping stakeholders will take part in building sustainable supply chain for a mutual goal.

In 2015, Baoviet has founded a permanent working group on sustainable development with detailed tasks distributed to each department, engaging this initiative to individual’s business performance.

At the moment the working group consists of 7 small groups, with Operation Block – Baoviet Holdings takes the major part in chairing, coordinating and implementing Sustainability actions under the direction of Leading committee. Key actions include: meeting and discussing with stakeholders; developing KPIs regarding social and environmental indicators; promoting internal and external communications to raise awareness of sustainable development; periodically reporting to BOD about the status of actions and suggesting ideas and solutions for efficient implementation.

Setting up dedicated working Team on Sustainable development

Issuing Baoviet Code of Conduct and Business Ethics

Pioneering in making Sustainability Report assured by third party in 2015

By having our Sustainability Report assured, Baoviet has demonstrated our commitment to information transparency, including financial and non-financial information of our corporate.

We chose PwC Vietnam to independently audit Baoviet Sustainability Report 2015. PwC has reviewed current report of Baoviet according to best practices to improve operation and provide independent assurance to selected operation indicators in Baoviet Sustainability Report 2015. PwC applied ISAE3000 standard issued by International Federation of Accountants for this report.

Engaging Sustainability elements in Internal Processes and Cooperation Agreement
Actively participating in Sustainability activities - Raising awareness for business community and improving expertise for dedicated employees

Working with the Vietnam Business Council for Sustainable development (VBCSD) – Being a member of VBCSD, Baoviet actively participated in annual programs of the Council. At the Sustainable Development Business Forum held in 4/2015, as one of the leading companies in the market, Baoviet shared our experience in completing the Sustainability report, challenges and practical process of implementation. The conference received appreciation of several companies with feedbacks regarding how to complete the report in practice.

Training session certificated by GRI on Sustainability report: In 2015, Baoviet sent our dedicated employee to attend the training session on building reports according to standards of Global Reporting initiative. The training session provided us with chances to review and assess our Sustainability report upon report quality assurance guidelines and maximize benefits from the report based on GRI standards.

Launching Voluntary Pension Plan - Adding values to a comprehensive and diversified welfare system

According to the fact that the number of aged people are increasing, creating challenges and pressure on welfare and social insurance fund, Baoviet has invested in developing voluntary pension insurance product to provide an efficient financial solution for customers who needs an extra income source for a stable and higher-quality life standard when they reach retirement age.

In 11/2015, Baoviet Life launched a voluntary pension insurance product, namely Huu Tri Vung Nghiep. This is an addition to the traditional compulsory pension insurance, creating a safe, comprehensive and diverse welfare system, meeting the needs of people of all working class. Besides, thanks to the insurance capital financed employees and employers, companies will have large and long-term capital to reinvest into the market, boosting social-economic development.

Contributing nearly VND9,000 billion for State Budget – TOP50 companies with highest income tax

In the V1000 list over the last 6 years, Baoviet was honored to be “TOP 50 companies with excellent achievements”, including companies with stable and highest income tax, being in the list of top 1000 companies with highest income tax in Vietnam in the recent 5 years.

Paying tax in general and income tax in particular is not only a responsibility to the government, it also reflects business performance of a company. Despite turbulent macro economy and business environment, Baoviet remains one of the biggest contributors for State budget in the last 5 years (2011-2015).

Launching Scholarship for leading national universities

Baoviet signed an agreement with the National Economy University and Institute of Finance: Baoviet committed to present scholarships to students with disadvantaged background and outstanding results with total scholarship up to VND10 billion during 2015 – 2020. Besides, Baoviet enhanced cooperation with the two universities on business management training and research on practical projects, supporting Baoviet’s profession and human resources strategy in the long run.

Baoviet Life and FPT University signed the agreement to sponsor VND1 billion to the online Maths Contest ViOlympic in 2015 – 2016. This is the second year Baoviet Life support this online contest. ViOlympic is a community program to promote Mathematics and Science passion in Vietnamese young generation.
To raise awareness among employees about using natural resources effectively, Baoviet used the message “Small habits for big results” to change awareness and habits of employees in using power and resources.

This poster is to call the attention of our employees when using water. Since “SAVE WATER TO SAVE TREES.”
In the trend of Sustainable development, Baoviet acknowledged risks and challenges that may affect the operation of the enterprise. These challenges and risks are evaluated on the extent of influences on Baoviet business activities and the benefits of stakeholders.

CLIMATE CHANGE CHALLENGES

“Vietnam is not a high-emission country, however, if sea level raises by 1m, 40% of Mekong Delta area, our largest rice field, will be flooded” – said H.E Pham Binh Minh, Deputy Prime Minister, at the UN Climate Summit in New York.

According to UN report, climate change is caused 90% by human and 10% by nature. Climate change effects have raised global temperature by 2-5°C in 21st century, together with negative consequences to human and the environment.

COP21 conference about climate change was recently held in Paris with the participation of 196 countries. Vietnam – one of the countries which will be severely affected by climate change – committed to reduce 8% of CO2 emission up to 2030.

Total damage by environmental pollution to our country is minimum 1.5% - 3% GDP. Damages by climate change to national economy causes risks to Baoviet business operation in the following aspect: people’s income reduces, which result in potential clients switch their priority for insurance to other short-term financial purposes.

Flood and salinity cause risks for agricultural and fisheries insurance

Increased rain level and sea level caused flood and salinity in many areas, particularly the Mekong Delta. This has affected agricultural production of farmers when plants are flooded and fisheries productivity reduced owing to salinized water. These damages pose several risks to Baoviet’s agricultural and fisheries insurance products.

More natural disasters and floods: Natural disasters, floods and stronger storms have caused many damages to human and properties. On average each year in Vietnam, there are 392 deaths and loss of more than 1% GDP due to climate change-related disasters which caused Baoviet’s claimed expenses increased.

Prolonged drought increases the risk of fire: From the beginning of this year up to now, extremely high temperature in Northern and Central Southern Area has caused drought for more than 190,000ha area and death for 44,000 cattle and poultries. Prolonged drought has posed more risks of forest fire and factory explosion. This affects Baoviet in terms of forestry and factory insurance.

Diseases and health deficiency: Climate change indirectly impacts on human health via sources of diseases, increases possibility of disease expansion, posing risks for healthcare insurance service of Baoviet.

According to the climate change scenario at the end of this century (2100), Vietnam’s average temperature will increase by 2-3 Celsius degree, about 10% of Vietnamese population will be directly affected by climate change, and average damage per year costs approximately 9% of GDP. With more than 130 life and non-life insurance products serving 17 million customers all over the country, Baoviet will face the challenges of human health and property damage of individual and corporate caused by climate change. Therefore, adaptation and response to climate change is an immediate global mission. In order to overcome it we need to have the commitment of the Government, support by international organizations and especially the cooperation of business community to enhance green energy, replacing fossil fuel. Baoviet understands our responsibilities in contributing to reduce damages and consequences of climate change.

SEIZING OPPORTUNITIES FROM THE SUSTAINABLE DEVELOPMENT TREND

Improving the status and prestige of Baoviet in the market by attaching the business responsibility with the community development as well as contributing to Baoviet brand building in the investment market through the making of the Sustainable Development Report.

Demographic factors of young population, major labor force, golden demographic structure, the rate of urbanization and middle class increased rapidly and expected to bring enormous opportunities in the field of financial services retailing, especially in the insurance industry. Meanwhile, the insurance density and the insurance penetration rate in Vietnam remain quite low compared to other regional countries average rates. This will be an opportunity for a large-scale Financial – Insurance Corporation Baoviet Holdings. Having the capability to provide integrated products and services, Baoviet will have more advantages in exploiting market potential, especially in the retail market.

Changing the customer consumption behavior with the opening of the economy, the cultural integration now is happening across the world and the residents will have more opportunities to interact with progressive ideas from the developed countries. This lead to the changes in the consumption behavior of customers, people are more rigorous in demanding more diversified products and services. This require the enterprises to delve into the market and create integrated products in order to meet the demand of highly requirement from the residents’ classes, especially the rapidly developing middle class.

Paying more attention to sustainable development: This is an opportunity for Baoviet to build the sustainable value chain through introducing the requirements of providers responsibility; building the criteria when evaluating the investment projects focusing more on governance – social - environment issues.

Assuring the Sustainable Development Report: Taking the lead in having Sustainability Report assured, Baoviet has deeply discussed with experts on how to collect data according to consistent criterias. This is an opportunity for us to standardized data and report throughout the whole group, therefore we have a foundation to supervise and quantify our measurement indicators in a detailed, clear and transparent manner.
Towards a sustainable world – Enterprises are key partners in realizing sustainability goals 2015 – 2030.

The United Nations’ summit on sustainable development was held from 25 to 27 September 2015, in New York, The United States. Key goals of the summit was to approve Agenda 2030 with central points are Sustainable Development Goals for 2015 – 2030 period. Speaking about the role of enterprises to these goals, UN Secretary Ban Ki-moon stated: “Enterprises are key partners in realizing sustainable development goals. Companies can contribute to this process throughout their core businesses, and the UN calls for all companies in the world to assess their impacts, set out ambitious goals with strong determination and public their results transparently.”

Direction with detailed roadmap was developed upon assessment of implemented actions during 2011 – 2015; by analyzing Baoviet’s activities, impacts and opportunities by sustainable development strategy, we developed our vision and development direction for 2016 – 2020 periods.

Baoviet understands that in order to build a good future, we need to take our efforts today. Our business plays an active role in realizing our future. To complete our mission, we need to point out a detailed roadmap to compensate for the lack of resources created by humans over exploitation in the past and present.
As one of the leading financial-insurance group in Vietnam, Baoviet understands that our sustainability strategy could be delivered only when our economic target is reached. Since the solid capacity will enable us to deliver sustainable benefits for our customers, shareholders, employees and communities.

Innitiatives

Baoviet constantly aligns business growth with environmental protection and community contribution. These three factors are critical to Baoviet’s long-term success. Business growth targets are our utmost importance, as without the business growth, a company cannot have the financial capability needed for social and environment goals.

Aligning business, social and environment goals will ensure equal benefits of stakeholders in our current and future generations, helping drive Baoviet’s long-term sustainable development strategy.

Baoviet’s sustainable development model

Our last reports’ content along with our discussion with stakeholders enlightened us with the fact that, together with ensuring economic growth and community benefit, “Corporate Governance” and “Human resources” are also key elements to ensure Baoviet’s sustainable growth. Therefore, we added these two elements in the sustainable development model. We believe that Baoviet’s core values is preserved and promoted, while elements building those core values can be flexibly changed to be suitable to each period of time.

Goals Priorities and Innitiatives of 2016 - 2020 Sustainable Development Strategy

Based on 17 Millennium Sustainable Development Goals (SDGs), Baoviet has selected and incorporated appropriate goals in our sustainable development strategy as the followings:

1. Promote sustainable, efficient and long-term economic growth; provide jobs and increase productivity for people (SD8)
2. Reinforce poor alleviation by all means, everywhere (SD1)
3. Ensure healthy life and enhance welfare for people of all ages (SD3)
4. Ensure fair and effective education quality, improve opportunities for life education for everyone (SD4)
5. Ensure sustainable manufacturing and consumption model (SD12)
6. Respond to climate change (SD13)
SUSTAINABLE ECONOMIC GROWTH

Reinforce Baoviet Foundation: Invest in improving human resources quality, strengthening IT infrastructure, promoting communications and branding activities, enhancing roles of strategic advisory and line business management throughout the whole group to increase business efficiency, creating added values for the group and subsidiaries.

Prioritize resources to create breakthrough in operation, maintaining competitive advantages and leading position in insurance business, taking opportunities to grow in other businesses.

Take cautious investment strategy to ensure asset safety, based on effective distribution of investment capital and beneficial potentials of subsidiaries.

Implement responsible investment rule in our projects, continue to grow business, contributing to local economy, generating working opportunities for local citizens at where we are operating.

SUSTAINABLE COMMUNITY CONTRIBUTION

Mitigate income gap between urban and rural areas by investing in disadvantaged areas, especially mountainous provinces.

Support basic living conditions for people in disadvantaged areas to help them focus on their production to better feed themselves and their family.

Invest in launching insurance packages which meets diversity needs of customers with flexible and advanced.

Develop highly professional human resources with proper structure, being accessible to modern and advanced management skills and principles.

Invest in education and training for young generation for a bright future of the country.

SUSTAINABLE ENVIRONMENTAL PROTECTION

Create changes in customers, partners and all employees, from raising environmental protection awareness to working with us in all environmental protection activities.

Assess and select suppliers based on their commitment with community and environment.

Responsible investing in our investment projects, ensuring Baoviet sustainable value chain.

Use energy effectively in our buildings.

Increase usage of recycled products and “green” products.

Reduce emission and pollution activities to improve the environment and people’s health.

2016 IMPLEMENTATION PLAN

Goals

- Increase revenue and profit.
- Ensure benefits for stakeholders.
- Maintain position at TOP1000 enterprises paying the largest income tax.
- Reduce operation cost by 10%.

Goals

- Develop new insurance and financial packages for the benefit of investors, customers and the community.
- Invest VND15 billions in poor alleviation activities, improve living conditions for people in disadvantaged areas.
- Ensure benefits and proper working environment for employees; ensure income and living conditions for long term commitment of agents.

Initiatives

- Diversify financial services and products to meet various needs of customers.
- Focus on sales and revenue growth.
- Ensure profit to pay out dividend for stakeholders.
- Focus on 3 core businesses: insurance, investment and Financial service.
- Take advantage of our collective strength.

Initiatives

- Invest 1% of profit after tax for community activities such as: poor alleviation, education for young generation, natural disaster support and war martyrs tribute.
- Implement voluntary pension insurance; promote fisheries insurance.
- Invest in human resources; training and reinforcement; complete performance-based appraisal system; promote corporate culture to engage employees.

Goals

- Reduce fuel and electricity consumption by 5%.
- Increase the proportion of assessment and negotiation about environmental and social elements with suppliers and projects by 10%.
- Live green and support sustainable consumption: apply 100% energy and water consumption estimation in the whole group.

Initiatives

- Reduce glasshouse emission via reduced energy in office buildings.
- Use stationery economically, reduce office garbage and dumps.
- Plant more trees.
3

SUSTAINABLE CORPORATE GOVERNANCE

- Roles and Responsibilities in Sustainable Corporate Governance
- Dedicated working team on Sustainable Development in Baoviet
- Sustainable Risk Management
- Internal Control and Internal Audit
At Baoviet, corporate governance is regarded as a key element to ensure efficient and sustainable growth. Along with developing a corporate governance structure complying with Vietnam legal framework and applying international practices, Baoviet released a system of internal regulations to build a consistent and thorough governance system to supervise business operations in a transparent, professional and efficient manner, ensuring the benefits of shareholders and harmonizing the benefits of stakeholders including customers, employees and the community in the long run.

**ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR SUSTAINABILITY**

Map out sustainable development strategy and objectives

In 2012, Baoviet announced its sustainability commitment in delivering business strategy, assured by the senior managers’ determination in fulfilling the economic, social, and environmental objectives. This strategic move was made possible by combining the functional blocks/departments and subsidiaries’ specific goals. Baoviet also defined key performance indicators (KPIs), including financial (economic) and non-financial (social and environmental) indicators, to measure the progress toward these goals.

Baoviet focused on rolling out sustainable development across the group, from Senior management level to functional departments level, assessed the performance indicators (KPIs) KPIs and regularly reported to the Board of Directors. As a result, Baoviet has successfully reconnected its business performance with social and environmental progress.

**Appraise the capability and methods of implementing sustainability activities**

**Delivering the strategy using KPIs**

Sustainability strategy and action plans regarding economic – social – environmental issues are discussed and approved during the Annual General Meeting of Shareholders (AGM). The Board of Directors takes responsibility of implementing the Resolutions approved by the AGM, cascading down to the Management Board which is in charge of allocating specific initiatives to the parent company and subsidiaries. Heads of functional blocks and departments are responsible for defining their own KPIs, and expanding these initiatives to subsidiaries. At each subsidiary, the sustainability strategy, action plans, and objectives were circulated to employees during its business plan meetings, labour conferences, trainings and communications sessions.

**Oversee, keep track of, and provide guidance for sustainability activities**

The Board of Directors keeps track of quarterly sustainability progress and reports directly submitted from the Management Board, specifically:

- Reports submitted to the periodically Board of Directors meetings. Baoviet’s Board of Directors maintains quarterly meetings to discuss, agree upon, and provide timely guidance for the group’s business operations. At these meetings, the Chief Executive Officer, Committees under the Board of Directors, and managers are to report on major economic – social – environment issues that may impact on the business performance. The Board of Directors is to review and provide guidance for business operations by monitoring socio-economic situation to make necessary refinements to the business strategy, leading the delivery of business targets and implementation of the Resolutions approved by the Annual General Meeting of Shareholders, and deploying corporate social responsibility projects. The Chief Executive Officer is to roll out the Board of Directors’ Resolutions issued after the meetings.

- Reviews conducted on Economic – Social – Environment-related impacts, risks, and opportunities: All the official documents issued by the Board of Directors after its meetings include the required focus on economic, social, and business forecasts and actual progress oversight, enabling flexible refinements and timely providing proper guidance and measures. This aims to help lead the successful delivery of business strategy and targets.

- Oversight on the implementation of company sustainability related Resolutions, Decisions and Notices issued by the Board of Directors regarding sustainability development and social-environmental issues.

**Lead the preparation of the Sustainability Report**

The Board of Directors plays a crucial role in supervising and controlling Baoviet’s business strategy, including sustainability components. At the same time, the Board of Directors takes responsibility of giving initial acceptance for the audited financial statements and circulating for the Supervisory Board’s assessment before submitting for the Annual General Meeting of Shareholders’ final approval. The Board of Directors is in charge of giving approvals for Baoviet’s Annual report, Audited financial statements, and Sustainability report. In terms of the Sustainability report, it appoints the Board of Management and the dedicated working team to prepare the contents in compliance with International Standards, Vietnamese Laws and Practices, and local context.
ROLES AND RESPONSIBILITIES OF THE COUNCILS/COMMITTEES UNDER THE BOARD OF DIRECTORS FOR SUSTAINABILITY

Remuneration and Nomination Committee
The Remuneration and Nomination Committee is an integrated part of the corporate governance structure of Baoviet Holdings, established by the Board of Directors (BOD). Main functions of the Remuneration and Nomination Committee include:

- Providing consultancy and advisory to the BOD in establishing human resources development strategy, especially senior management resources development strategy of the Holdings;
- Making recommendations to BOD on fundamental issues, such as:
  - Organization structure and corporate governance model;
  - Labour and salary management policies of Baoviet Holdings;
  - Personnel management policies of Baoviet Holdings.

Roles of the Investment - Strategy Committee
Investment - Strategy Committee, established under the Board of Directors’ decision, is one part of Baoviet Holdings’ governance structure. The main function of the Committee is to give consultation and advisory to the Board of Directors in developing business strategy including sustainability components, investment strategy; and to review and assess investments under the Board of Directors’ authority.

In addition, the Investment - Strategy Committee also provides advisory for the BOD in investment aspects, and using Baoviet capital resources in order to orienting sustainable development and catch up with international trend of responsible investment. At the same time, the Committee provide consultancy on controlling regulations on investment managing and implementing evaluation the results according to the categories and investment policies.

In 2015, the Investment - Strategy Committee has actively participated in providing opinions and advisory to the BOD in implementing the Restructuring Scheme of Baoviet Holdings, including the charter capital increased project, the 2011 – 2015 strategic plan review project, as well as providing reviews and consultancy on investment aspects, financial investments, strategic investments, and other investment projects of Baoviet Holdings and subsidiaries in principles of safety, efficiency and sustainability.

ROLE AND RESPONSIBILITY OF THE SUPERVISORY BOARD

The Supervisory Board is an organ in Baoviet’s Board of Management, it is authorized to represent the Shareholders Assembly to supervise the management and operation of the BOD, the CEO and all business operations of the group according to regulations by Law and internal regulations. It is responsible for all missions assigned and reports to the Shareholders Assembly.

The Supervisory Board appraises the comprehension, legality and integrity of business performance report, quarterly, half year and annual finance reports of the group, management report of the BOD. It submits appraisal reports of all the reports mentioned above to the Annual General Meeting.

In 2015, by implementing their tasks, the Supervisory Board has suggested to the BOD several solutions to improve internal supervisory system to contribute to the sustainable development of the group, maximizing legal benefits for shareholders.

ROLES AND RESPONSIBILITIES OF THE BOARD OF MANAGEMENT FOR SUSTAINABILITY

The Chief Executive Officer
Baoviet Holdings’ Chief Executive Officer takes responsibility for managing the business operations to perform the rights and obligations as the owner, shareholder or capital contributor of subsidiaries or partially owned companies, and implementing sustainability plans by developing specific initiatives for each Functional Block/Department and subsidiary.

Provide guidance and oversee subsidiaries’ sustainability outcomes to balance economic, social, and environmental factors.

The Chief Executive Officer is accountable to the Board of Directors in supervising and guiding the capital representative in the delivery Baoviet Holdings’ strategic plans and objectives while balancing economic – social – environmental – social factors, and fulfilling the business targets of Baoviet’s subsidiaries and partially owned companies. This aims to preserve and foster the capital, enhance business efficiency, and leverage the resources of Baoviet subsidiaries.

Quarterly report on economic – social – environmental impacts, risks and opportunities to the Board of Directors enable them to make necessary refinements to the business operations; or produce ad-hoc report on economic – social issues that may dramatically impact on businesses.

Risk Management Council
Baoviet Holdings’ Risk Management Council is responsible for designing and rolling out the risk management framework at Baoviet Holdings and subsidiaries, cooperating with subsidiaries in risk management, and overseeing their risk management activities to ensure international standards and practices are met.

Within 2014, Baoviet Holdings’ Risk Management Council and subsidiaries met quarterly to review all risk types and propose appropriate risk mitigation measures. Discussions at Risk Management Council meetings helped identify, analyse, assess and control risks in compliance with international standards. Also, on-going dialogue on risk management was carried out between Baoviet Holdings’ Councils and Functional Blocks/Departments, as well as Baoviet Holdings and subsidiaries.

Baoviet Holdings’ Risk Management Council and subsidiaries successfully assisted the Management Board in managing risks on all businesses, contributing to the group’s resilient business growth.

The Board of Directors

Implementing sustainability plans in compliance with the sustainable development strategy as guided by Management Board, and supervising the delivery of sustainability projects.

Design and roll out sustainability initiatives that work with each subsidiary and are in compliance with the sustainable development strategy.

Implement sustainability projects at Baoviet Holdings and oversee subsidiaries’ sustainability outcomes to balance economic, social, and environmental factors.

Work with the Blocks/Departments of Baoviet Holdings and subsidiaries to design sustainability initiatives and concept.

Together with Baoviet’s functional departments, proceed with sustainability initiatives in compliance with the Management Board’s plan.

ROLES AND RESPONSIBILITIES OF THE SUBSIDIARIES

Baoviet’s subsidiaries work together to raise sustainability awareness and focus on business initiatives that aim at sustainability, protecting the benefits of the group and subsidiaries.

Baoviet issues policies and plans to make use of all businesses operations under Baoviet Holdings, with a view of leveraging resources and strengths in enhancing the professional and specialization of the subsidiaries in order to promote groupwide activities.

The capital representative, within his/her authority, is responsible for implementing policies and plans, providing guidance for subsidiaries’ activities to best promote the group’s overall business performance.
### TOTAL BUDGET FOR THE ALLOWANCE AND SALARY OF THE BOD & SUPERVISORY BOARD

(Included in 2015 Baoviet Intergrated Annual Report)

Total salary budget for members of the BOD and the Supervisory Board in 2015 was approved by the Annual Shareholders Meeting 2015 based on the percentage proportion (%) of profit after tax of Baoviet Holdings, in particular:

- Salary of members of the BOD: 0.15% of profit after tax
- Salary of members of the Supervisory Board: 0.04% of profit after tax

#### Payment principle

The monthly allowance payment follows the rate stipulated in the BOD’s Decision on the issuance of regulations on allowance, bonus, and operating expenses for the members of the BOD, CEO, and members of the Supervisory Board of Baoviet Holdings.

As of 30th December 2015, Baoviet Holdings has nine BOD members, including two full-time members and seven part-time members. The Supervisory Board comprises of four members, including one full-time member and three part-time members.

#### ALLOWANCE PAYMENT IN 2015

Based on the aforesaid allowance rate and the number of BOD, Supervisory Board members in 2014, the 2014 allowance payment for the BOD and Supervisory Board members is as follows:

#### Allowance payment for the BOD and Supervisory Board members in 2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Allowance/ PAT (%)</th>
<th>2015 profit after tax (%)</th>
<th>PAT target approved by the AGM (VND/billion)</th>
<th>2014 Allowance budget (VND)</th>
<th>Paid allowance (incl. personal income tax) (VND)</th>
<th>Remaining budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Allowance of the BOD</td>
<td>0.15</td>
<td>1.002</td>
<td>980</td>
<td>1,503,557,855</td>
<td>886,211,764</td>
<td>617,346,091</td>
</tr>
<tr>
<td>2</td>
<td>Allowance of the Supervisory Board</td>
<td>0.04</td>
<td>1.002</td>
<td>980</td>
<td>400,948,761</td>
<td>217,870,370</td>
<td>183,078,391</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>0.19</td>
<td>1,904,506,616</td>
<td>1,104,082,134</td>
<td>800,424,482</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The remaining budget of VND800,424,482 will be added to the profit after corporate income tax of Baoviet Holdings for the fiscal year 2015.

#### Allowance payment to the members of the BOD in 2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Full name</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Tenure</th>
<th>Appointment date/ Resignation date</th>
<th>Monthly allowance (after tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dao Dinh Thi</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 23 Dec 2014</td>
<td>Salary</td>
</tr>
<tr>
<td>2</td>
<td>Nguyen Quang Phi</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 25 Jun 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Thanh Hien Anh</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 23 Dec 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Phan Kim Bang</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 23 Dec 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Dau Minh Lam</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 23 Dec 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Yukihira Yoshiharu</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 24 Apr 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Muneo Sasagawa</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 01 Jul 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>8</td>
<td>Nguyen Duc Tuan</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Became a member of BOD since 04 Oct 2014</td>
<td>Salary</td>
</tr>
<tr>
<td>9</td>
<td>Nguyen Quoc Huy</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 23 Dec 2014</td>
<td>10,000,000</td>
</tr>
<tr>
<td>10</td>
<td>Kono Shinzo</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Stepped down on 01 Jul 2015</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

#### Allowance payment to the members of the Supervisory Board in 2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Full name</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Tenure</th>
<th>Appointment date/ Resignation date</th>
<th>Monthly allowance (after tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nguyen Ngoc Thuy</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 25 Dec 2014</td>
<td>Salary</td>
</tr>
<tr>
<td>2</td>
<td>Dang Thai Quy</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 29 Nov 2014</td>
<td>5,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Ong Tien Hung</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 29 Nov 2014</td>
<td>5,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Phi Thi Quynh Nga</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 17 Apr 2014</td>
<td>5,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Yagi Nobuyuki</td>
<td>x</td>
<td></td>
<td>2012 – 2017 term</td>
<td>Appointed on 02 Jul 2014</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

#### Allowance payment from 2009 to 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Allowance of the BOD</td>
<td>886.21</td>
<td>870.2</td>
<td>957.3</td>
<td>1,130.6</td>
<td>979.9</td>
<td>816.7</td>
<td>390.6</td>
</tr>
<tr>
<td>2</td>
<td>Allowance of the Supervisory Board</td>
<td>217.87</td>
<td>275.0</td>
<td>296.6</td>
<td>294.3</td>
<td>275.0</td>
<td>275.0</td>
<td>110.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,104.08</td>
<td>1,145.2</td>
<td>1,253.9</td>
<td>1,424.9</td>
<td>1,254.9</td>
<td>1,091.7</td>
<td>500.6</td>
</tr>
</tbody>
</table>
DEDICATED WORKING TEAM ON SUSTAINABLE DEVELOPMENT IN BAOVIET

OPERATIONS

INVESTMENT AND STRATEGY BLOCK

DEDICATED WORKING TEAM IN PARENT COMPANY

DEDICATED WORKING TEAM IN SUBSIDIARIES

FINANCE MANAGEMENT BLOCK

INTERNAL AUDIT BLOCK

EDUCATION AND TRAINING CENTER

STEERING TEAM

COORDINATION TEAM

COORDINATION TEAM

COORDINATION TEAM

COORDINATION TEAM

COORDINATION TEAM

COORDINATION TEAM

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COORDINATION TEAM
DEVELOPMENT

Chairman of the BOD
Direct and lead the implementation of the group’s sustainable development strategy.

Chief Executive Officer
Lead and implement the Strategy. Supervise and assess sustainable development activities efficiency across the group.

Chairman of the BOD
Direct and lead the implementation of the group’s sustainable development strategy.

Chief Executive Officer
Lead and implement the Strategy. Supervise and assess sustainable development activities efficiency across the group.

Chief of Operations Block
In charge of whole strategy implementation and detailed plans of application to each department. Supervise activities regarding sustainable development.

Deputy Chief of Finance Management Block
Supervise budget and expenses relating to sustainable development.

Chief of Investment and Strategy Block
Implement investment activities with sustainable point of view. Applying responsible investment principles in project management. Adjust and Supervise the implementation in subsidiaries.

Chief Audit Executive
Report on internal control and internal audit activities in the group. Carry out independent audit of projects.

Chief of Education and Training Centre
Develop training programs for employees according to education and professional training map. Take part in implementing training programs for sales agents.

COORDINATION TEAM

THE DEPARTMENTS/DIVISIONS AT BAOVIET HOLDINGS
Implement Sustainable Development working aspects at the Parent company and supervise the performance results of sustainable goals at subsidiaries.

Coordinate with other departments in order to promote implementation of sustainable development aspects for Baoviet Holdings.

• Communications and Branding Division
• General Secretary Division
• Administration Division
• Party and Youth Office
• Legal and compliance Division
• Risk Management Division
• Human Resources Division
• Strategy Development Division
• Investment Division
• Property Management Division
• Audit Division

THE DEPARTMENTS/DIVISIONS AT BAOVIET SUBSIDIARIES
Implement Sustainable Development projects following Baoviet Holdings strategy and customize to meet with subsidiaries specific activities.

The presentatives of subsidiaries are responsible for implementing the Sustainable Development projects at their affiliates and branches.

• Marketing/Communication and Branding Department
• General Secretary Department
• Administration Department
• Education and Training Department
• Legal and Compliance Department
• Audit/Finance Department
In 2015, Baoviet Holdings has continued to enhance the legal framework of risk management as well as robust risk management policies at Holdings and subsidiaries levels. With the orientation “Unleashing all potentials to promote consolidated strength”, risk management activities have contributed not only to monitor emerging risks effectively but also to fulfill strategic objectives, ensuring a rapid growth and a sustainable development.

**The organizational structure of risk management**

The Board of Directors (BOD) takes responsibility in deciding the corporate governance structure, function and duty of the Group’s Risk Management System, issue risk management strategy and policies as well as supervise risk management activities of the entire Group.

The Chief Executive Officer of Baoviet Holdings (CEO) shall be accountable to the BOD for implementing risk management strategy and policies; provide suitable resources for risk management activities requirement; issue regulation and guidelines on internal risk management; supervise the implementation to ensure all the business activities are safe and effective, complying with the government and the internal regulation.

The Risk Management Council of Baoviet Holdings (RMC) is an advisory body under CEO. The main function of the Council is to consult and support CEO of Baoviet Holdings to implement risk management activities.

Subsidiaries of Baoviet Group manage risks separately by establishing their own risk management strategy and policy in accordance with strategy and policy of Baoviet Holdings.

During the operation, Baoviet Holdings has always well prepared for new emerging risks, identify key risks that we need to focus on while evaluating all kind of risks, including new emerging risks arising from changes in environment and social conditions; reinforce not only current quantitative related risk management measures like economic losses but also qualitative related ones like business continuity risk and reputation risk.

**SUSTAINABLE RISK MANAGEMENT**

**Stage 4: Monitoring Risk BOD**
- Roles and responsibilities to supervise risk and controlling activities of the company; Develop strategy and risk appetite.
- Ensure the risk management framework is complied

**Stage 3: Ensuring Independence**
- Design, interpret and develop risk management framework; Monitor the implementation of the framework

**Stage 2: Risk Control & Report**
- Accept and manage risk daily
- Owner of the risk management process

**Stage 1: Business Unit/Department/Division Function**
- All Business Units, Departments, Divisions

**BaoViet risk management structure**

**SUSTAINABLE KEY RISKS**

**Strategic risk**
Risk of not achieving strategic objective: risk mainly due to the mismatching between annual plan and given strategic objective.

Inappropriate strategic risk: The strategy does not take into account objective and subjective factors or is not reviewed regularly to adapt with the changes of business environment.

**Concentration risk**
Risks arising by investing on corporate bonds, margin lending, term deposits in banks/non-banking institution.

The impact of risks is insignificant at group level.

**Credit risk**
Risks arising by investing on corporate bonds, margin lending, term deposits in banks/non-banking institution.

The impact of risks is insignificant at group level.

**Market risk**
Risks arising due to changes of exchange rate, stock price, interest rate impacts on investment income. Interest rate volatility is considered insignificant so the impact on fixed income of the Group would be immaterial. Equity portfolio accounts for small proportion of total financial investment portfolio, therefore stock price movement impacts not significantly on Group’s income.

**Reputation risk**
Reputation risk of Baoviet arising when the mass media dispatches unfavourable information on The Group or products and services of Baoviet do not respond to requirements of clients, investors… This risk is well controlled in 2015 and need to be monitored and managed frequently.
**Sustainable risk**
Sustainable risk management is to develop and implement business strategy of which economic objectives links to environment and social policy of company.

Bao Viet Holdings manages sustainable risk on 3 contents as below:

- Factors impact to sustainable development of Bao Viet Group;
- Environment, social factors impact to Bao Viet;
- Impacts of Business operation of Bao Viet to environment and society.

**Risk Management Process**
Risk management process is uniformly designed and directly connected to the development and implementation of the business strategy of Bao Viet Holdings. Risk management process includes the following steps:

1. Identify Risks
2. Risk Analysis & Measurement
3. Record & Track Risk
4. Risk Treatment
5. Risk Report

**SUSTAINABLE RISK MANAGEMENT**
Our sustainable development risk management target is to maintain and develop corporate integrating with environment protection activities and contributing to the development of social and community.

Bao Viet Holdings has conducted sustainable risk management in three aspects:

- Managing risks affecting sustainable development of Baoviet;
- Managing risks from environmental and social factors affecting Baoviet;
- Managing risks arising from business activities of Baoviet causing adverse effect on environment and society.

**Managing risks affecting sustainable development of Baoviet**

**Sustainable development strategy:** We build and integrate vision on sustainable development into our business strategy and business model, both in terms of profit target, dividend to shareholders while obtaining a sustainable development.

**Financial reporting and management reporting:** We establish non-financial information and financial reporting mechanism to enhance the transparency of information provided to stakeholders. It also helps to create positive image of Baoviet in the eye of investors and the public. Moreover, management information will be transferred smoothly, operational and financial information are reported precisely and promptly to the management team of the Group.

**Information Security:** During the transactions with the customers, Baoviet Holdings and subsidiaries are exposed to many customers’ information, which is related to their business and production activities, financial or other private information. This sensitive information is needed to be protected against unauthorized access. Leakage customer information may lead to reputational damage and loss of customer trust (and even severe losses of the customers). Therefore, fully aware of the importance of information security for Baoviet and our customers, we have implemented and applied necessary methods against information leakage to ensure system security contributing to sustainable development of the Group.

**Compliance and internal control:** Along with the internal control system, we conduct the evaluation of compliance risks to support the sustainable development in each business line and throughout the Group. We manage the risks of complying with regulatory laws, internal regulations and procedures of the Group and with regulations on employee’s interest such as remuneration and HR policies. In addition, Baoviet always complies with the information disclosure responsibilities, especially for the public companies in order to gain customer confidence in the transparency market. Timely and precise information is not only meaningful to the market and the investors but also support corporate to have opportunities to build up and enhance its prestige, aiming to the sustainable development.

Baoviet has implemented ISMS to ensure confidentiality, integrity and availability for Baoviet Holdings and subsidiaries’ information. In 2015, Baoviet IT centre has transferred the ISMS 2005 version (the old version contain 11 related areas) to 2013 version (the new version contain 14 related areas). Attaining ISO 27001:2013 certificate has improved the information security, ensuring the continuity of the business activities as well as reducing the risk from leaking information after nearly three years of operating, maintaining and continuously upgrading the system. These implementations help to enhance the trust from the customers and improve our brand image.
Managing risks from environmental and social factors affecting Baoviet

Operating in insurance, financial investment and financial services, therefore, risks arising from environment and society have direct impact on us, especially in insurance business. Our target for insurance risk management is able to control scope and level of losses in this area with reasonable costs.

Climate changes and global warming are among reasons causing floods, natural disasters which affect directly on claims ratios of insurance companies. Baoviet uses Catastrophe modelling to effectively manage risks of natural disasters which rarely happen but have great destructive power. This model uses scientific knowledge of natural threats to estimate financial losses caused by possible events happened in studied area. The result supports Baoviet in determining reinsurance amount that we need to transfer to reinsurance firm agreed with loss level with a given probability.

Managing risks arising from business activities of Baoviet causing adverse effect on environment and society

The target of sustainability risk management of Baoviet is to lessen the impact of our business to environment and society. Baoviet has focused on treatment of the impact to environment for any individual business activity and looking for the best solution to mitigate them. Defining impacts (both direct and indirect) from our business activities on environment and society helps Baoviet decrease risks arising from these sources. Consequently, it helps partially realizing sustainable development strategy and assuring long-term interest for investors, customers, employees and community.

Baoviet does not directly involve in manufacturing activity so we assess risk arising from business activities of Baoviet causing adverse effect on environment and society is fairly low. This kind of risk concentrates in indirect impact of value chain of Baoviet including risks coming from suppliers and from projects that Baoviet invests in.

Managing risks from value chain

Conducting evaluation on risks related to suppliers from social and environmental aspect: Baoviet gradually establishes criteria to assess the value of suppliers basing on assess risks related to Environment, Social and Governance (ESG). Depending on kinds of services or products of suppliers, ESG factors are evaluated with different proportions. The purpose is to mitigate risks arising from co-ordination process between Baoviet and suppliers while limiting the indirect impact from the use of supplying inputs to environment and society. During the selection process, Baoviet always choose suppliers who have sense of environment protection, ensure the benefit of the employees and have business ethic. The risk assessment related to Environment, Social and value chain is not only important to Baoviet but also investors and customers.

The integration of sustainability risk management and purchase decision-making process help Baoviet adhering to sustainable target, especially environment issue.

Assessing sustainability risks in projects Baoviet invests in: As an Insurance, investment and financial service group, Baoviet focuses strictly on ensuring the sustainability of projects we invest in. Evaluating and dealing with risks of investment projects assist Baoviet in identifying and mitigating potential risks which cause adverse effect on environment and society. Not only economic value of project invested but also long-term interests of community and population living near-by are important criteria to assess overall economic value of our investments.

Assessing risks to insurance customers: Baoviet concerns sustainability aspect when providing insurance service to enterprise customers. With manufacturing and commercial customers, Baoviet pays close attention to their business operation aspect to ensure safety for the environment and society. Aspects to be considered include the discharge of waste into the environment, contaminating the water supply and discharge large amounts of carbon. Baoviet refuses providing insurance policy to enterprises that do not meet environment protection and society criteria.

Operational risk management of Baoviet Holdings from environment and society aspect include impacts from operation of our office building to environment and society. Through tracking effects of waste discharge and energy used of the Group, we conduct suitable solutions to reduce operational cost and negative impact to the environment, social and community.

We set the target of decreasing adverse effect to environment annually through internal communication campaign such as saving water and electricity, saving and reuse paper, limit the use of plastic package, use recycled and environment friend materials instead and proceed to use energy saving devices. These projects not only raise awareness of employees throughout the Group, but also significantly reduce the negative impact on the environment and society.
THE INTERNAL CONTROL SYSTEM

In accordance with the Governance Regulation of Baoviet Holdings, Internal Control is a process issued by and taken effect in Baoviet Holdings, designed and maintained to provide reasonable assurance regarding the achievement of following objectives:
- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

Component

The internal control system of Baoviet Holdings includes 05 main components: Control environment, Risk assessment, Control activities, Information and communication, Monitoring.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Main components of the internal control system</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control environment</td>
<td>Baoviet Holdings:</td>
<td>- Demonstrates commitment to integrity and ethical values by issuing Code of ethics.</td>
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<td></td>
<td>- Demonstrates commitment in attracting, retaining and developing talented staff by adopting competitive recruitment, training and remuneration systems.</td>
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<td></td>
<td>- Clearly defines the internal control accountabilities of individuals and departments in Governance regulation. In particular:</td>
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<td>- The Board of Directors takes the main accountability in monitoring the appropriateness and effectiveness of the internal control system.</td>
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<td></td>
<td></td>
<td>- The Board of Management is in charge of designing and maintaining an effective internal control system throughout the Group. Main tasks include establishing the organisational structure, reporting lines, appropriate authorities and responsibilities.</td>
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<tr>
<td></td>
<td></td>
<td>- Each staff has a duty to manage risks and take controls over his/her job.</td>
</tr>
<tr>
<td>Risk assessment</td>
<td>The Holdings establishes the strategic and annual business and risk management objectives throughout its system (from the corporate to the subsidiary level) in order to ensure its support to the risk identification, assessment and treatment.</td>
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<tr>
<td></td>
<td></td>
<td>- The risk management regulations have been issued to identify, control, and report on major risks, including insurance risk, operational risk, market risk, credit risk, liquidity risk and other risks.</td>
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<tr>
<td></td>
<td></td>
<td>- The risk management regulations clearly define the risk management organizational structure, authorities and responsibilities at all levels (the Board of Directors, CEO, and relevant functional departments, individuals), ways to identify major risks and risk management standards in the business performance of Baoviet Holdings and subsidiaries.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Risk related issues (eg: such external factors as policies, mechanism, politics...) are reported in the Board of Management reports as well as thoroughly analyzed, assessed and resolved at quarterly meetings of the Risk Management Committee (RMC) and Assets – Liabilities Management Committee (ALCO).</td>
</tr>
</tbody>
</table>

Control activities

- Effectiveness and efficiency of operations, including operational and financial performance goals, and safeguarding assets against loss.
- Reliability, timeliness and transparency of financial and non-financial reports.
- Compliance with applicable laws and regulations.

Information and Communication

- The Board of Management authorizes the Chief Financial Officer, the person in charge of information disclosures, and the Chief Operating Officer, Spokesperson of Baoviet Holdings, to release information to customers, partners, shareholders, government authorities.
- External information which relates to or may impact Baoviet Holdings is regularly collected, compiled, analyzed, assessed, and handled by Branding - Communications Division.

Monitoring

At Baoviet Holdings, monitoring of the effectiveness of the internal control system is implemented through many methods:
- Ongoing monitoring: the division manager checks and monitors the internal control execution of his/her staff in their daily work.
- Independent/periodic monitoring: the periodic monitoring is implemented by the Audit Committee. The Audit Committee provides the Board of Directors with assessments on the comprehensiveness and efficiency of the internal control system of Holdings’ Internal Audit and subsidiaries’ inspection divisions and external auditors (who evaluate the internal controls towards the financial statement preparation) so as to develop common solutions to complete the internal control system.

Control measures are established, applied in all activities, at all levels (Holdings, Subsidiaries, departments, activities...), and are integrated in all business processes as well as daily operations in order to ensure the mitigation of the risks that may affect the fulfilment of business objectives.
- Basic control principles include:
  - Clear and transparent delegation and authorization clearly separating the rights and responsibilities of individuals, divisions as well as avoiding conflicts of interest and frauds.
  - Crossed investigation and monitoring among individuals, functions during the execution of business processes.
  - Responsibility allocation: each task is carried out and checked by at least two persons. Not any business process or transaction is conducted or decided by one individual, except those ones which are allowed by the law (dual control principle).
- Main control types include: Directive control, Preventive control, Detective control, Manual control, Automatic control, out of which automatic control via the IT system plays an important role in mitigating errors and human's impact on control efficiency.
- Main control measures include: performance appraisal for the Board of Management; for each department and division; examination and approval; Key Performance Indicators (KPI) analysis.
The identification and management of risks related to sustainable development (including risks affecting sustainable development objectives along with those arising from sustainable development activities) are crucial to the success of Baoviet sustainable development programs. Risks in the below table are illustrative:

<table>
<thead>
<tr>
<th>Risks</th>
<th>Description</th>
</tr>
</thead>
</table>
| Reputation | - Baoviet trademark and reputation may be affected because:  
  ✓ The business performance results do not meet with objectives;  
  ✓ Do not show interest in social issues;  
  ✓ Violate law or break principles. |
| Compliance | - Baoviet may not assure its compliance to relative legal regulations or obligations because:  
  ✓ Scope, complexity, number of regulations involving environment, healthcare & safety, labor hiring, governance, political contribution, interest conflict, fraud ...  
  ✓ Contractual obligations towards third parties (such as customers, unions, employees);  
  ✓ Voluntary adopted standards. |
| Operational | - Developed sustainable development program may not meet its business/operational objectives or is not integrated into the Holdings' strategy.  
  ✓ Sustainable development objectives are not integrated into the Holdings' business processes/operations;  
  ✓ Employees may not have adequate and accurate knowledge about sustainable development;  
  ✓ Controls over business/operational processes towards sustainable development objectives may not be developed or implemented exactly. |
| Supply chain | - Baoviet may be affected (e.g., punishment, reputation loss ...) because:  
  ✓ Selected suppliers, business partners are inappropriate or unethical;  
  ✓ Sustainable development obligations are not specified in contracts;  
  ✓ Suppliers, business partners, agents violate sustainable development terms in contracts. |
| Stock market | - Baoviet may lose investors, or limit their pool of investors because it does not satisfy sustainable development investment. |
| Staffing | - Employees may quit or the Holdings may miss talented employees because it does not fulfill their expectations such as:  
  ✓ Respected;  
  ✓ Integrity;  
  ✓ The company's commitment to social and community issues. |
| Marketing | - Baoviet may miss out a market share in which potential customers are interested in sustainable development or lose its market share to those companies which pay attention to sustainable development activities because it is not proactive in developing, marketing its sustainable development program. |
The Internal Audit’s roles towards Baoviet Holdings’ sustainable development objectives

The Internal Audit Block plays multiple roles towards Baoviet Holdings’ sustainable development activities:

- Supporting stakeholders in self-assessing control measures and results of sustainable development programmes/activities/processes.
- Consulting in designing and deploying sustainable development projects; consulting in corporate governance, risk assessment and internal control related to sustainable development.
- Performing internal auditing towards sustainable development activities.

The Internal Audit activities towards sustainable development objectives

Sustainable development issues have been embedded into annual internal audit engagements. Through its auditing activities in the past period, Baoviet Internal Audit Block reviewed, and partially assessed the implementation of Baoviet Holdings’ sustainable development objectives; in detailed – evaluated:

- The quality of the insurance products and the customer service; the compliance to legal regulations as well as contractual terms in settling customers’ benefits…;
- Working environment and incentive policy; recruitment, training and human resource development…;
- The effectiveness of Baoviet Holdings’ resource usage in order to run the business effectively as well as add value to investors/ shareholders;
- The adequacy, trustworthiness, intime, transparency of financial and non-financial information in order to support the management of the governmental bodies and the determining process of potential investors …

In order to support Baoviet Holdings’ and its subsidiaries in achieving their strategies (including sustainable development strategy) for the period 2016-2020, and to assure the sustainable development of the internal audit activity itself through continuously enhancing and improving its effectiveness and efficiency, the Internal Audit Block has developed its audit objectives for the next 5 years which closely align with the Group strategy and top risks during 2016-2020, and emerging trends in the world’s internal audit activity.
04 SUSTAINABLE STAKEHOLDERS ENGAGEMENT

- Engaging stakeholders in Sustainability
- Stakeholders engagement in Baoviet policies and operations
- Materiality Identification Matrix
ENGLISH

ENGAGING STAKEHOLDERS IN SUSTAINABILITY

DISCLOSURE ON MANAGEMENT APPROACH (DMA)

We define our stakeholders based on possible impacts of Baoviet activities on them or parties who have interest or impacts on our operations. We build and develop the relations based on satisfying long-term benefits of stakeholders; these relations are maintained based on trust, transparency and business ethics.

We approach our stakeholders via diversified channels to understand the opinions and interests of each party towards Baoviet’s activities, especially regarding corporate governance, human resources, economic growth and community contribution.

Our discussion with stakeholders enables Baoviet to identify trendy and up-to-date problems, objectively review our policies, reports and information that we are communicating externally.

7 major stakeholders of Baoviet include:

- Public administration
- Employees
- Partners, Supplier
- Local community
- Shareholders, Investors
- Customers
- Media

Stakeholders of Baoviet

Baoviet defines our stakeholders based on their role and impacts on our activities.

In 2015, Baoviet continued to engage stakeholders via multidimensional channels, in which our sustainable development strategy is profoundly mentioned to understand opinions of our stakeholders towards Baoviet’s activities relating to economics – social - environmental initiatives.

We also took a survey on social network and website to get feedback about our sustainable development activities in 2015. The survey was under Sustainable development/ Survey of stakeholders section. Throughout the surveys and feedbacks by stakeholders, Baoviet better understood their interest and expectation. All the feedbacks are recorded and graded according to the importance level of each stakeholder to Baoviet.

“Baoviet establish and nurtures our relationship based on fulfilling long-term interest of each stakeholder; this relationship is maintained based on trust, transparency and highly valued work ethics.”

The survey is available at our website (www.baoviet.com.vn)
INTERVIEW WITH STAKEHOLDER

Mr Nguyen Quang Vinh - Deputy General Secretary of Vietnam Chamber of Commerce and Industry (VCCI); General Secretary of Vietnam Business Council for Sustainable Development

Being a member of Vietnam Business Council for Sustainable Development since 2014, Baoviet actively participated in VBCSD activities to share, promote and raise awareness of businesses to sustainability issues.

In 2015, Baoviet had several chances to meet and share with Mr Nguyen Quang Vinh about business sustainable development issues. Below is one of those discussions between Baoviet and Mr Nguyen Quang Vinh:

What is your comment about sustainable business?

Nowadays corporate has a multifaceted role, not only to motivate the economy but also to respond to climate change, save energy, protect the environment and commit to social responsibility… A business can develop sustainably when it succeeds in economic, social and environmental tasks. A business needs to invest in sustainability development to increase its competitive advantage and refrain from being eliminated.

How do you value the role of a sustainability report to a company?

Vietnam is facing with several sustainability-related challenges such as poverty, urbanization, financial crisis, food price fluctuation, energy, climate change, decreased natural resources… In that context, sustainability report is an effective tool to track and review how a business implements its sustainability strategy. The report also helps companies to communicate its sustainability activities to stakeholders and investors, reflecting a more transparent image of the company. Via sustainability report, the value that a company creates is more comprehensively reviewed on how it uses economic, financial, natural and social resources.

Baoviet is one of a few first companies to release sustainability report. This year, Baoviet takes the lead in having 2015 report audited. What do you think about this?

I highly appreciate Baoviet’s efforts in transparentizing its financial and non-financial information sources to shareholders and stakeholders. While developing a sustainability report remains a challenge for many Vietnamese companies, Baoviet’s commitment in accomplishing an audited sustainability report has shown its professional investment in this activity. It also reflects long-term vision and responsibility of the company in ensuring long-term development for the benefit of stakeholders.

I hope that this trend led by Baoviet is not only the beginning of many sustainable activities of the group itself, but also the motivation for many other companies.

Thank you very much for your information!

To each stakeholder, Baoviet applies different information approachment. Feedbacks by stakeholders are carefully reviewed and effort was taken to adjust our policies and activities based on these feedbacks.

Baoviet’s engagement with stakeholders
### Stakeholders Engagement in BaoViet Policies and Operations

Stakeholders are our significant partners whose feedbacks are valuable source of information for us to develop and reinforce our operation. Throughout discussions and meetings with parties, we figured our concerns of stakeholders and their major impacts on BaoViet’s activities. This is the foundation for 2015 Sustainability Report.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Materiality</th>
<th>BaoViet’s Initiatives</th>
<th>Shared Values to Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders/Investors</strong></td>
<td>- Capital efficiency (Shareholders’ capital)</td>
<td>Investments in risk free assets (proportion of government bonds and deposits makes for a large share of total portfolios).</td>
<td>Achieving stable and solid growth in terms of total revenues, profit and KPIs. Rate of return on chartered capital (ROCC) exceeding 14.7%. BaoViet is one of financial groups that ensure highest dividend payout ratio.</td>
</tr>
<tr>
<td></td>
<td>- Information transparency, maximizing shareholder’s interests</td>
<td>Pursuing new alternative investment channels, improving investment efficiency.</td>
<td>The market value of BaoViet’s shares in 2015 increased by 64.88% compared with the end of 2014 with market capitalization of nearly VND38,750 billion (equivalent to USD1.64 billion).</td>
</tr>
<tr>
<td></td>
<td>- Corporate governance competence, market value of firm’s shares and firm value</td>
<td>Enhancing attractions to local and foreign investors; implementing transparent policies on information disclosure and fair equal treatment of shareholders and investors. Transparent disclosure of information and fair and equal treatment of all holders of common shares.</td>
<td><strong>Customers</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improving corporate governance model, improving the system of regulations on governance mechanisms throughout the whole Group. Implementing risk management systems, internal controls, monitoring compliance to improve operational efficiency.</td>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>- Brand reputation.</td>
<td>Enhancing BaoViet’s brand reputation through prestigious awards hence reinforces customers’ trust.</td>
<td>Improved brand reputation (BaoViet is valued at USD7.9 million by Brand Finance, among top 20 most valuable Vietnamese brand. Payments of Customer commitments under interest rate in 2015 were 7%). Providing a wide range of products, including 80 non-life products and 50 life products. Approaching customers through multi-channel distribution system. Outstanding customer service quality due to call-center system helping to deal with customer requests promptly and accurately. Unifying brand standards at transaction locations, making customers feel confident, close, friendly, and professional.</td>
</tr>
<tr>
<td></td>
<td>- Diversified products with many superior features and benefits</td>
<td>Conducting research and launch products that integrated many features of insurance, investment and financial services.</td>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td></td>
<td>- Meeting customers’ needs.</td>
<td>Operating smoothly 24/7 call-center system.</td>
<td>Building human resources with high caliber, positive attitudes, motivation to achieve the missions and maximize values of BaoViet. Expanding life insurance product packages offering for employees. Implementing “Learning Map”, a training program designed for only employees. Encouraging employees to take part in community projects.</td>
</tr>
<tr>
<td></td>
<td>- Improved customer service quality.</td>
<td>Improving the quality of insurance consultant teams.</td>
<td>Additional new welfare programs for employees: pension insurance, whole life universal life insurance. Organizing 122,223 training hours with 141,691 employees in pursuit with “learning map”. Attracting 865 employees to participate in community activities with a total contribution of 297,500 hours.</td>
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<tr>
<td></td>
<td>- Convenient transaction locations.</td>
<td>Investment in constructing an institution offering a wide range of financial services, financial supermarket in accordance with brand standards and customer-focus.</td>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>- Training and promotions opportunities.</td>
<td>Howard the high caliber, positive attitudes, motivation to achieve the missions and maximize values of BaoViet. Expanding life insurance product packages offering for employees. Implementing “Learning Map”, a training program designed for only employees. Encouraging employees to take part in community projects.</td>
<td><strong>Customers</strong></td>
</tr>
<tr>
<td></td>
<td>- Fair welfare benefits policies, increasing benefits for employees.</td>
<td>Building human resources with high caliber, positive attitudes, motivation to achieve the missions and maximize values of BaoViet. Expanding life insurance product packages offering for employees. Implementing “Learning Map”, a training program designed for only employees. Encouraging employees to take part in community projects.</td>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td></td>
<td>- Good working environment, strengthening bonds among employees.</td>
<td>Operating smoothly 24/7 call-center system.</td>
<td>Building human resources with high caliber, positive attitudes, motivation to achieve the missions and maximize values of BaoViet. Expanding life insurance product packages offering for employees. Implementing “Learning Map”, a training program designed for only employees. Encouraging employees to take part in community projects.</td>
</tr>
<tr>
<td></td>
<td>- The workers’ contributions are recognized.</td>
<td>Improving the quality of insurance consultant teams.</td>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment in constructing an institution offering a wide range of financial services, financial supermarket in accordance with brand standards and customer-focus.</td>
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<td>STAKEHOLDER</td>
<td>MATERIALITY</td>
<td>BAOVIET’S INITIATIVES</td>
<td>SHARED VALUES TO STAKEHOLDERS</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>MEDIA</strong></td>
<td>Transparency in disclosure of financial and governance information. Promoting exchanging information on business activities with the press.</td>
<td>Intimately connecting with media and press agencies, ensuring information on BaoViet’s activities to be updated promptly, accurately and objectively to stakeholders. Providing larger amount of information to the media through press releases, in-depth analysis articles to targeted press agencies.</td>
<td>Strengthening the exchange and sharing of information by inviting journalists to attend a number of programs run by BaoViet or programs with BaoViet’s participation. In 2015 there were more than 300 articles relating to BaoViet’s activities, in which more than 100 articles regarding sustainable development is published in top 100 newspapers in Vietnam.</td>
</tr>
<tr>
<td><strong>LOCAL COMMUNITY</strong></td>
<td>Supporting to build facilities for locals. Facilitating local people with basic living conditions. Promoting education, and offering scholarship programs.</td>
<td>Attributing social responsibilities through such activities: promoting to invest in education and youth; Local community development, acknowledgement commitments and endeavor of people contributing to the country’s development, hunger eradication and poverty alleviation.</td>
<td>Investing VND28 billion in community activities in which poverty reduction activities and investments in education and the young account for 81% of the total budget (equivalent to VND22.5 billion). Building infrastructure at 02 districts with extremely difficulties in economy (in Pac Nam and Que Phong); focusing on building schools, health clinics under decree 30a with a total investment of VND14 billion in 2015. Awarding scholarships worth VND492 million for students with outstanding achievements in the university entrance exam in 2015 in two university, including National Economics University and Academy of Finance. Promoting programs supporting mountain people with healthcare, donations for people in remote area; presenting books and clothes for children.</td>
</tr>
<tr>
<td><strong>PARTNERS/SUPPLIER</strong></td>
<td>Specific requirements for investment projects regarding social and environmental issues. The criteria to suppliers in terms of environmental and social responsibilities.</td>
<td>Providing article regarding social and environmental responsibilities in contract with prime contractor. Additional evaluation criteria of Management regarding environment and society in the procedure of investment projects, equity investments and other activities of BaoViet. Prioritizing in selection of suppliers meeting the requirements of management, compliance with laws and ensuring their operations not to damage environment and society.</td>
<td>Checking 13/19 suppliers in labor practices and the environment. Additional assessments of the environment and society in 02 Processes, including equity investments and investments in projects. Providing article regarding social and environmental responsibilities in contracts with 02 prime contractors.</td>
</tr>
</tbody>
</table>
“After assessing the influences of factors in relative relations between stakeholders’ concerns and impacts on the company’s activities, Baoviet establish the Materiality identification matrix to identify the priority level and distribute our resources properly to best fulfill stakeholders’ expectations as well as ensure corporate sustainability.”
13 issues mentioned in this report are based on their proportion in Baoviet key issues matrix, distributed into 4 groups: Economics (3 issues); Social (3 issues); Environment (3 issues); Human resources (4 issues).

In the process of exchanging information, we noticed that the content of human resource development received attention from many stakeholders; therefore, the priorities aspects are reported in section Social are separated into 2 parts in Chapter 6 – Sustainable Human Resource and Chapter 7 - Sustainable Social Responsibility.
Resilient and Sustainable economic growth
Economic contribution
EGS embedded in our investment activities
Engaging Sustainability in our supply chain
RESILIENT AND SUSTAINABLE ECONOMIC GROWTH

DISCLOSURE ON MANAGEMENT APPROACH (DMA)

As an Insurance - Financial Group, Baoviet understands that our sustainability strategy can only be realized once the financial target is achieved. By building sustainable resources for the company, Baoviet will be able to bring long term benefits to customers, shareholders, employees and the community.

To assure our economic goals, Baoviet achieves effective economic growth with stable increases in total asset, revenue and profit indicators every year. We maintain our market share in Baoviet’s core businesses, take advantage of our thorough distribution network by highly qualified and skilled employees and agents, ensuring solvency of our subsidiaries.

The economic growth also enables Baoviet to increase our contribution to the community via our State budget contribution, shareholders payout dividend and job vacancies for local inhabitants.

Towards developing a sustainable value chain, Baoviet concentrated on engaging ESG factors in our review and appraisal of vendors, we also apply responsible investment principles to our projects.

CONSOLIDATED REVENUES ACHIEVED SIGNIFICANTLY GROWTH, LIFE INSURANCE BUSINESS FLOURISHES

2011-2015 Consolidated Business Performance

2015 total consolidated revenues hit a record of VND20,789 billion, exceeded 10% of the target, 9.1% higher than 2014; positive performances are recorded from all businesses:

• Life insurance business contributed the largest portion of total Group’s revenues (62%) with VND13,072 billion, marked an increase of 21.4% compared to 2014, 17% higher than the target. Direct written premium revenue impressively accelerated and reached VND10,116 billion, up by 27% compared to 2014. New businesses premium achieved remarkable growth of VND2,309 billion, rising by 23.3% compared to 2014.

• General insurance business end up 2015 with total revenues of VND6,832 billion, increased by 5% compared to last year, accomplished the target and accounted for 32% of total Group’s revenues.

In 2015, financial services and others made contribution of 6% of total Group’s revenues with VND1,167 billion, in which total revenues from securities business were VND288 billion, keeping up with its 2015 plan in the context of vulnerable Vietnam’s market, following downturns in global financial market. Fund and real estate management businesses achieved an incentive growth with VND59 billion and VND303 billion, 20% vs 5% higher than the plan, respectively.

*In 2015, Baoviet Bank was no longer a subsidiary of Bao Viet Holdings, its performance was consolidated under equity method applied for investments in associates, instead of line-by-line basis applied for subsidiary as in 2014.

CONSOLIDATED PROFIT AFTER TAX EXCEEDED THE TARGETED PLAN

2014-2015 revenues by core businesses

Comparing the plan, consolidated profit after tax exceeded VND15 billion, equivalent to 3%, came up with VND1.175 billion.

• Profit after tax of life insurance business continued the growth of 8.2% compared to 2014, was at VND68 billion;

• General insurance business underwent a management restructuring, and achieved VND59 billion of profit after tax, outperforming 12.5% of the target.

• Financial services and others (excluding banking services) earned profit after tax of VND1.177 billion. Concentration of equity on core businesses, plus unfavorable movements on stock market at year end and interest rate drop as mentioned above, all adversely affected profit after tax of these business lines.
Regarding 2015 consolidated profit after tax by segments, major contribution came from life insurance business with 51% that of general insurance accounted for 23%, financial services and others made up the difference.

*Sustainability Report

*Due to objective impacts from financial market, key indicators in 2015 decreased slightly compared to 2014. Profit after tax noticed a small decrease while Total Assets and Owners’ equity both increased dramatically; and as a consequence, profitability was hit.

In the context of challenging economy, profitability maintained at a positive level.

Solvency ratios (%)

As at 31/12/2015, BVGI’s CAR was at 113%, higher than CAR of 2014 (105%) as well as than MOF’s benchmark (100%).

CAR of BVL was 121% as at 31/12/2015, based on published reserves, complying with MOF’s requirement (100%). In case that statutory minimum reserve was used as a basis, BVL’s CAR would be 187%.

BVSC and BVF had CAR ratios of 739% and 505%, respectively, far exceeding from the MOF’s requirement (180%).

Solvency ratios of subsidiaries are maintained at stable rates.
CONTRIBUTION TO THE LOCAL LABOR FORCE AND ECONOMIC

With our network of 168 branches and 700 offices, we involve 5,000 employees in our operations system. Via recruitment, training, human resources and welfare policies, Baoviet contributed in creating jobs and raising income for provincial inhabitants.

In 2015, Baoviet newly recruited 395 employees, in which female employees accounted for 43%. With our performance – based management and payment policies, Baoviet has reviewed and appraised 170 competent employees and increased salary for 1,389 employees groupwide.

During our operations process, Baoviet used service by local vendors to supply machinery, stationery… for operations of local branches and offices. This enables stock flow and promotes domestic economy. Moreover, Baoviet invested in social projects, built medical centres and schools at disadvantaged areas, provided local people with basic conditions of healthcare and education.

CONTRIBUTION TO THE STATE BUDGET

In the ranking list of 1000 companies with highest corporate income tax in 2015, Baoviet Holdings stands at number 39. Baoviet Insurance is ranked 115 and Baoviet Life ranked 64 – topped the list of insurance companies who submit highest income tax in the market.

ECONOMIC CONTRIBUTION

In 2015, Baoviet increased our investment in the community to nearly VND28 billion (up by 37% compared with 2014). We continued our investment in poverty alleviation at Pac Nam and Que Phong provinces under Decree 30A of the Government. Besides, we actively invested in other regions including Ha Giang, Nam Dinh, Quang Tri… Baoviet focused on promoting education and training for the future generation by our school building and scholarship projects.
In 2015, Baoviet reviewed our vendor selection process to simplify our assessment process including selection criteria and documents submitted by suppliers. Baoviet reviews new vendors based on our criteria in the Vendor selection Guidelines. This set of guidelines consists of assessment on capacity, quality, added values, expense, inventiveness and sustainability. Sustainability criteria include assessment of governance – social – environmental issues such as labour, human rights, social impacts and environmental guarantee…

Potential vendors will be required to complete a “Self-assessment of vendor operations” document include issues of labour condition, employee health and safety, work ethics and environmental control. Once selected, commitments by vendors will be included in the detailed content of mutual agreement memoir.

We select vendors who comply with the law, are aware of environmental protection, ensure benefit for employees and have business ethics. Risk management process towards environmental, social issues and vendor management is not only important to Baoviet but also affect our investors and customers.

Engaging sustainability in our consumption decision enables Baoviet to act in accordance with our sustainability goals, especially environmental issues.

**Establishing Sustainable Value Chain**

Adopting the financial group model, Baoviet’s business operations are relatively complicated as finished products involve many parties’ efforts and processes. However, we herein introduce a simplified model to indicate input and output factors, and impacts from the group’s activities.

Baoviet Holdings represents the capital contribution of its institutional and individual shareholders to invest in subsidiaries (including the wholly owned and majority owned companies) and associates.

From the profits gained, the group will pay dividend for shareholders, investment interest for employees, and invest in the community and environment. The remaining amount will be invested in businesses to increase the capital.

With our nationwide network, Baoviet uses products and services by hundreds of domestic and foreign suppliers. Therefore, ensuring sustainability is one of our priority conditions in managing our supply chain.

**Improving Vendor Selection Process**

In 2015, Baoviet reviewed our vendor selection process to simplify our assessment process including selection criteria and documents submitted by suppliers.

Baoviet reviews new vendors based on our criteria in the Vendor selection Guidelines. This set of guidelines consists of assessment on capacity, quality, added values, expense, inventiveness and sustainability. Sustainability criteria include assessment of governance – social – environmental issues such as labour, human rights, social impacts and environmental guarantee…

Potential vendors will be required to complete a “Self-assessment of vendor operations” document include issues of labour condition, employee health and safety, work ethics and environmental control. Once selected, commitments by vendors will be included in the detailed content of mutual agreement memoir.

“EsG EmbEddEd IN INvEstmEnt ACTIVITIES”

“EngAgING SUSTAINABILITY IN OUR SUPPLY CHAIN”

13/19 vendors were screened by Baoviet using environmental and labor practices criteria (account for 68% of our suppliers) according to the Standard Disclosures G4 - EN32 and G4 - LA14 of Global Reporting Initiative (suppliers with contract value more than VND490 million). Baoviet also engaged commitments of environmental and social responsibility in cooperation agreement with major vendors.

In our contract, there are mandatory articles covering responsibility to employees such as legal labour use or human rights; vendors also need to ensure to exclude negative environmental impacts out of their operations. In case there is any violation of these articles, Baoviet will have the right to suspend the contract until specific explanation is submitted or unilateral terminate the contract if partners are unable to explain the violations.

Baoviet engages vendor responsibility to labor practices and environmental issues.

In 2015, Baoviet took environmental and labor practices into consideration when selecting our vendor. Therefore, requirements for tendering stage include reports of employee management, welfare activities (if any), description of material supervision, efficient usage of energy and resources and environmental – friendliness of the project.

At Baoviet, our first and foremost principle in our investment strategy is: safe and effective investment to ensure the sustainable development of the group, guaranteeing benefits of shareholders, customers and employees.
### Supplier Assessment Scoreboard:

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicators</th>
<th>Score</th>
<th>Assessment indicators</th>
</tr>
</thead>
</table>
| 1   | Quality                           | 35    | • The origin of goods (if available).  
• Samples are testing qualified.  
• Quality management system under international standards.  
• Goods are granted with Warranty policies.  
• The compatibility between supplied goods and Baoviet needs.  
• Environment friendly goods. |
| 2   | Prestige                          | 25    | • High.  
• Acceptable.  
• None.  
• Profile information from other sources.  
• Recommendation from intermediaries.  
• Previous collaboration with Baoviet.  
• Business profile from suppliers.  
• Business license. |
| 3   | Price range & payment method      | 20    | • Quotations from suppliers.  
• Research and compare with market price.  
• Payment methods and payment period.  
• Supplier commitments of: Time and location of delivery, ability of supply and transportation.  
• After sale services.  
• Ability to manipulate with unexpected risks, crisis (if any). |
| 4   | Supply and delivery capability    | 15    | • Meet the requirements.  
• Acceptable.  
• Do not meet the requirements.  
• Community activities (if any) which has been done or performing by supplier.  
• Possible impact assessment of business activities toward environment from supplier.  
• Commitment of social responsibility and relationship. |
| 5   | Environmental and social responsibility | 05 | • Meet the requirements.  
• Acceptable.  
• Do not meet the requirements.  
• Community activities (if any) which has been done or performing by supplier.  
• Possible impact assessment of business activities toward environment from supplier.  
• Commitment of social responsibility and relationship. |
| TOTAL |                                   | 100   |                                                                                         |

#### Baoviet Supplier Assessment Scoreboard based on the indicators below:

- **Product quality**
- **Supplier prestige**
- **Price range and payment method**
- **Supply and delivery capability**
- **Environmental and social responsibility**

#### Principles of selecting supplier are based on:

- Sort out ranking and select for assessment from the evaluated highest to lowest score.
- Selected supplier must achieve the score of more than 75 points if not, continue to search for other suppliers.
- In case of more than two suppliers both achieve the same score, then select suppliers that meet the requirement of higher score indicators, later select the supplier require the indicator number 5 of Environmental and social responsibility.

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### ESG Embled in Investment Activities

We believe that corporate governance, social and environmental mechanism are important factors to assess the effectiveness of middle and long-term investment. Therefore, besides return indicators, Baoviet also adopt the Environmental, Social and Governance indicators in our investment selection, review and continues to implement Principles for Responsible Investment when reviewing major investment projects.

In 2015, Baoviet focused on our fixed-rate interest portfolio with no projects of being strategic shareholders. However, we completed our Project management Procedure and Shares Investment Procedure by adding criteria of governance - social and environmental factors.

In the past, Baoviet reviewed governance criteria when we assess our shares investment project. Now criteria of labour usage, community contribution and environmental awareness also play important role for project appraisal.

Being a listed company with shares held by many investors, we understand that sustainable development is a competitive advantage to attract investment. Therefore, Baoviet – as a investor, strives to engage sustainable factors in assessing potential projects.

In short, engaging sustainability issues to vendors and investment projects enable Baoviet to achieve our target of developing sustainability value chain, ensuring benefits for Baoviet and our stakeholders.

#### Principles of responsible investment Baoviet is applying in our projects include:

- **Principle 1:** Integrating ESG factors into investment analysis and decision making process
- **Principle 2:** Integrating ESG factors into issues related to the owner’s rights
- **Principle 3:** Develop an ESG friendly information disclosure policy for companies invested by Baoviet
- **Principle 4:** Cooperate with other financial institutions to foster the effectiveness
- **Principle 5:** Report on the implementation progress

---

### List of Baoviet capital contribution project (31st December 2015)

<table>
<thead>
<tr>
<th>No</th>
<th>Project</th>
<th>Year invested</th>
<th>Capital invested (billion VND)</th>
<th>Capital ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Baoviet Life Corporation</td>
<td>2004</td>
<td>2,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>2</td>
<td>Baoviet Insurance Corporation</td>
<td>2005</td>
<td>2,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>3</td>
<td>Baoviet Fund Management Limited Company</td>
<td>2006</td>
<td>100</td>
<td>100.00%</td>
</tr>
<tr>
<td>4</td>
<td>Baoviet Securities Joint Stock Company</td>
<td>1999</td>
<td>695</td>
<td>59.92%</td>
</tr>
<tr>
<td>5</td>
<td>Baoviet Commercial Joint Stock Bank</td>
<td>2008</td>
<td>1,560</td>
<td>49.52%</td>
</tr>
<tr>
<td>6</td>
<td>Baoviet Invest Joint Stock Company</td>
<td>2009</td>
<td>110</td>
<td>55.00%</td>
</tr>
<tr>
<td>7</td>
<td>Baoviet Tokyo Marine Limited Company</td>
<td>1996</td>
<td>153</td>
<td>51.00%</td>
</tr>
<tr>
<td>8</td>
<td>Vigeba International Investment and Construction Joint Stock Company</td>
<td>2009</td>
<td>54</td>
<td>30.00%</td>
</tr>
<tr>
<td>9</td>
<td>Vietnam Reinsurance Corporation</td>
<td>2005</td>
<td>69.9</td>
<td>9.18%</td>
</tr>
</tbody>
</table>

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06 SUSTAINABLE HUMAN RESOURCE

- Increasing the employee’s benefits
- Valuing employee’s contribution
- Creating Sustainable corporate culture
- Engaging employees in corporate activities
# BAOVIET HUMAN RESOURCES

## DISCLOSURE ON MANAGEMENT APPROACH (DMA)

Baoviet understands that human resources is core element which decides the sustainable development of a company, therefore we focus on develop human resources with high quality skills and knowledge of our core businesses; invest in a professional, friendly, performance-based and attractive working environment. These solutions are comprehensively built and intertwined based on our vision, work ethics, internal regulations and corporate culture.

Baoviet appreciates all values created and contributed by our employees, regardless of position, age, gender, education background, class, chateristic, lifestyle, brainstorming process, work experience or ethnic… We strive to offer a fair and active working environment for our employees, enabling them to have equal opportunities to achieve success in their career at Baoviet.

In Baoviet’s human resources strategy, improving human resource quality for an adequate structure, enhancing employee motivation and attitude, strengthening access to advanced management skills and methods are important factors for sustainable and firm development.

At the end of 2011-2015 phase, total amount of employees at Baoviet reached approximately 5,467 employees (102% compared to 2014), and more than 90,000 agents, insurance consultants and securities, fund broker (142% compared to 2014).

Labour structure is maintained stable in many facets. Proportion of university-graduated and post-graduated employees accounts for 86% of total employees (up by 2% compared to 2014), managing employees account for 28% of total employees. Our younger labour force with expertise, experience and competency will be the foundation for Baoviet to achieve 2016 business result, accomplish 2016-2020 strategy and complete our vision as a leading financial-insurance group in Vietnam.

In 2015, turnover rate of Baoviet is 5.7%, decreased by 4.2% compared to 2014, in which the difference of male turnover rate (5%) and female turnover rate (6%) is not remarkable. Employees over 50 year old have a stable trend therefore turnover rate is low (3%) while employees under 30 has turnover rate of 7% and employees from 30-50 has below average turnover rate of 5%.

### Employee distribution

<table>
<thead>
<tr>
<th>Nationality:</th>
<th>Number of employees</th>
<th>Proportion on the total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnamese</td>
<td>5,465</td>
<td>99.4%</td>
</tr>
<tr>
<td>Foreign</td>
<td>2</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By race:</th>
<th>Number of employees</th>
<th>Proportion on the total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viets</td>
<td>5,433</td>
<td>99.96%</td>
</tr>
<tr>
<td>Ethnic Minority</td>
<td>34</td>
<td>0.04%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender:</th>
<th>Number of employees</th>
<th>Proportion on the total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2,948</td>
<td>53.9%</td>
</tr>
<tr>
<td>Female</td>
<td>2,519</td>
<td>46.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age range:</th>
<th>Number of employees</th>
<th>Proportion on the total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>1,204</td>
<td>22%</td>
</tr>
<tr>
<td>30-50</td>
<td>3,702</td>
<td>67.7%</td>
</tr>
<tr>
<td>Over 50</td>
<td>561</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training Degree:</th>
<th>Number of employees</th>
<th>Proportion on the total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>333</td>
<td>6%</td>
</tr>
<tr>
<td>Middle management</td>
<td>4,365</td>
<td>83%</td>
</tr>
<tr>
<td>Officer</td>
<td>769</td>
<td>14%</td>
</tr>
</tbody>
</table>

### Turnover rate

<table>
<thead>
<tr>
<th>By age range</th>
<th>By gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>Male</td>
</tr>
<tr>
<td>97</td>
<td>8</td>
</tr>
<tr>
<td>155</td>
<td>4</td>
</tr>
<tr>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

| >30          | Male      | Female | Total |
| 208          | 7         | 4      | 309   |
| 96           |           |

### INCREASING THE EMPLOYEE’S BENEFITS

#### Improving human resources quality – Building long-term values for employees

In the trend of world economy integration, Baoviet understands this is both an opportunity and challenge to maintain and promote our achievements. Improving human resources quality is an inevitable trend, therefore Baoviet invested in a high-quality labour force to increase our competitive advantage.

#### Investing in training activities

In 2015, Baoviet invested nearly VND12 billion for training activities. 5,000 employees were trained, equalling 100,000 hours of training in two ways:

- **Education map training:** Education map training for 4,000 employees were trained with soft skills and foundation to promote their motivation and attitude and equip them with professional and effective communications and problem-solving skills.

- **Professional training:** Nearly 1,000 employees were trained with in-depth knowledge of their expertise.
Improving quality of insurance agents and consultants

Along with developing specified products to meet diversified needs by customers, Baoviet also invests our resources in training and developing agent team. In 2015, Baoviet spent 297,112 hours to train 90,930 life and non-life insurance agents and consultants. To prepare for the launching of Huu tri vung nghiep and Bao an gia dinh Viet at the end of 2015, Baoviet spent 11,350 hours to train 6,752 life insurance consultants and 399 non-life insurance agents before official launch of the products.

Nurturing talents and enhancing employee engagement

Training and nurturing the next generation

At the time of completing this report, the number of senior managers (Deputy Head of Block upward) at Baoviet Holdings is 21,288 persons, account for 7% of employees. To prepare the resources to readily replace major positions when necessary, Baoviet always invest in training and developing the next generation by personnel planning and training sessions to improve management skills and knowledge.

In 2015, Baoviet newly appraised 170 managers of Holdings and subsidiaries. Baoviet also organized training courses for nearly 1,000 line managers in various areas: corporate management skills, strategic thinking, professional skills of insurance, investment, marketing, product development, distribution network, risk management, finance and information technology.

"In the major operations area of Baoviet Holdings in Hanoi, the percentage of local senior managers,” “local personnel” is identified as Vietnamese to differentiate from foreign employees. This percentage of local senior managers is 100%, accounting for 7% of all employees.
In order to improve our standard of corporate governance practices in listed companies, representatives of Baoviet attended the workshop in Hanoi, Vietnam. This event provided an opportunity for Baoviet and other listed companies to update information on international governance practices and learn from experts in the field.

Several leaders of the State Securities Commission, HNX, HOSE, representatives of IFC and international experts on corporate governance from Thailand, Indonesia, Malaysia, Philippines, and Singapore participated in the workshop. It also attracted several leaders of State Securities Commission, HNX, HOSE, representatives of IFC and international experts on corporate governance.

Taking part in the workshop was an opportunity for Baoviet and other listed companies to update information on international inventions in corporate governance practices improvement and recommendations to apply them in Vietnam.

### ATTRACTION TALENTS AND RECRUITMENT

On integrating with ASEAN economic community, domestic businesses including Baoviet not only face up with competition in terms of product and service but also confront competition in seeking and retaining talents with other companies in the ASEAN community.

To attract and maintain our labour force, Baoviet’s recruitment activities are implemented transparently with clear procedures to ensure equality and promotion opportunities for all employees. Baoviet welcomes all active, ambitious and devoted candidates who are ready to challenge themselves in Baoviet’s working environment.

In 2015, Baoviet recruited 395 new employees, accounting for 75% compared with 2014. In which, proportion of male employee is 57%, female employee is 43%. 73% of newly recruited staff is under 30 with expertise, professional background and ambition. 27% of newly recruited employee is over 30.

#### Baoviet Holdings recruitment in 2015

<table>
<thead>
<tr>
<th>By age range</th>
<th>By gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Quantity</td>
<td>287</td>
<td>106</td>
</tr>
<tr>
<td>Rate (%)</td>
<td>72.7</td>
<td>26.8</td>
</tr>
<tr>
<td>&gt;50</td>
<td>326</td>
<td>169</td>
</tr>
<tr>
<td>&gt;15</td>
<td>57</td>
<td>43</td>
</tr>
</tbody>
</table>

#### Number of employees recruited in 2015

- Total: 395

#### Number of employees recruited in 2014

<table>
<thead>
<tr>
<th>By age range</th>
<th>By gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Quantity</td>
<td>461</td>
<td>67</td>
</tr>
<tr>
<td>Rate (%)</td>
<td>87</td>
<td>12.6</td>
</tr>
</tbody>
</table>

### Employee equal treatment

Ensuring fairness in treating with employees plays an important role in building an ideal working environment, giving them motivation to develop their capacity and commitment with Baoviet. Human resources activities of Baoviet aim for the following goals:

- No racism on gender, ethnic, skin colour, social class, marital status, religion, health status. Trade union operates compliant to Law of Labour.
- Fair salary based on performance
- Respect and listen to opinions of employees. All employees have the right to comment and feedback on the development of Baoviet.

All employees have equal chances in recruitment, training and appraisal activities.

There are 2,519 female employees in Baoviet, accounting for 46.1% of our labour force. In order to ensure equality and care for the life of female employees, encourage them to enhance profession and appraise female staffs to management positions. Baoviet actively operates the “Commission of Female advancement”.

Along with the Trade Union, the “Commission of Female advancement” plays significant role in applying gender issues into the company policy building process; ensuring female employees treatment complaint to the government policy and other welfare and benefits such as: annual leave, maternity leave, healthcare insurance, social insurance; annual health check up, corporate culture participation.

Baoviet encourages our female staffs to improve management skills and qualifications, foreign language and IT skills; we facilitate our female employees to take part in training courses domestically and internationally, especially in training courses of education map.

Female employees largely participates in Baoviet’s board of management and operation.

| Rate of female employees in Baoviet     | 46.1% |
| Rate of newly recruited female employees in 2014 | 43% (169 people) |
| Rate of female employees holding management positions in 2014 | 29% (451 people) |
| Rate of female employees holding senior management positions in 2014 | 15% |
| Rate of female employees holding management position vs. total senior managers of the whole Group | 35% |
| Rate of female employees holding middle management position vs. total middle managers of the whole Group | 30% |

### Sustainability Report

BAOVIET HOLDINGS
VALUING EMPLOYEE’S CONTRIBUTION

Baoviet understands that for an organization to succeed and achieve its goals, it depends on human force with determination who share the same goal. Therefore, Baoviet values the contribution and devotion by its employees for the mutual success of the firm. This appreciation is reflected via our payment policy and competitive benefit system, ensuring life standard and showing recognition for our employees’ commitment.

Healthcare policy for employees and their family

In 2015, Baoviet has added many new welfare programs to increase benefits for employees, including insurance, savings, and added value from financial investment.

Besides comprehensive healthcare insurance, group level term insurance, combined people insurance and family insurance which were already implemented, in 2015, Baoviet added new kinds of insurance including:

- Job responsibility insurance for managers of Baoviet in terms of managing and supervising risks arisen from daily operations process, including Management responsibility insurance and Personal responsibility insurance for financial damages caused by faults.
- Applying Huu tri vung nghiep and An phat tron do life insurance program at Baoviet holdings and some subsidiaries to attract high quality human resources, ensuring sustainable labour force with commitment to develop their career at Baoviet. It also enhances life standard for the insured, providing extra income when they reach retirement age, enabling a comfortable, financial-independent life after retiring for them to continue to support their family and protect themselves from life and work risks.

In 2015, Baoviet continued to take care for employees’ healthy by implementing annual health check up program with a broader check up list, enhancing benefits for employees.

With the advantage of protecting our customers from health risks, Baoviet organized several consulting events for internal customers and employees where experts and doctors help them to improve knowledge on healthcare, especially for female employees.

Besides, we encourage employee to participate in sports and healthy activities via yoga and ping pong club, tennis and football tournament. Some subsidiaries of Baoviet equipped gymnastic space for employees to train after work.

Regarding to retired employees, Baoviet not only pays regular visits and gives presents on the occasion of Lunar New Year and International day of Older persons, we also keep on providing them with yearly combined insurance (max claim expense is VND20,000,000/person).

Baoviet strives to comply to the current labour law and hold discussion activities with our staffs via Employee Conference, Trade union and internal surveys to receive feedbacks from employees and communicate company strategies, business results to engage and harmonize individual motivation to corporate goal.

Work efficiency management system and performance-based payment policy

Performance-based payment policy

Baoviet aims for an appropriate payment policy to increase our competitive advantage of human resources. In 2015, we continued to apply our performance-based payment policy and participate in salary surveys to identify our competitiveness in the labour force, defining suitable salary scale.

Baoviet employees income in 2015 includes:

Salary:
- Basic salary, fixed monthly salary;
- 13th month salary;
- Performance-based salary;
- Salary for non-taken annual leave days

Other benefits:
- Benefit from the group’s profit after tax;
- Benefit on anniversary days and holidays;
- Telephone allowances, business trip allowances, transportation, uniform and lunch allowances;
- Mandatory social insurance, medical insurance, unemployment insurance, annual health checkup;
- Comprehensive health care insurance, term insurance (An nhien, An huong dien vien), Huu tri vung nghiep pension insurance, life insurance and promotions for family insurance

Efficiency performance assessment policy

We continue to apply and complete our work efficiency management system to strengthen its effectiveness. Since application, this system has connected our mutual success to each block/department and to all employees. We improved our business performance by equipping each individual with competency and tools to communicate about our expectation, helping them to complete their tasks, promote their capability and contribute to the mutual success.

Annual work performance results are used as the foundation to adjust annual salary and decide performance-based salary. This policy ensures all employees are paid in a consistent, transparent manner according to their work efficiency, motivating employees to achieve further results.
Establish corporate culture that reflects Baoviet - Power of Beliefs

Baoviet corporate culture is an intangible asset, comprising of all the corporate values that have been shaped during our development journey, and become mental values, perspective, routine affecting each employee’s emotions, thoughts, and behaviour.

The slogan ‘Your Trust, Our Commitment’ reflects not only Baoviet’s firm commitment towards customers but also our culture, the culture of beliefs. Strong beliefs will motivate Baoviet employees to strengthen their love and loyalty to the company, and be extremely devoted to corporate development. Also, beliefs are what helped retain millions of customers and keep them using our services. With SOLIDARITY – SHARING – SYNERGY – INNOVATION – PIONEER as the keys to a great corporate culture, such beliefs are embedded in each individual’s action.

Embracing corporate culture will make Baoviet different, create a brand promise and help generate a competitive advantage for Baoviet. It is Baoviet’s top leaders and employees that contribute to establish and promote corporate culture via our attitude and behaviours in communicating with internal and external stakeholders.
**SOLIDARITY**  
**Solidarity Make Strength**

For any organization and company to deliver long-term sustainable development, objective factors like talents, resources, and opportunity always have to go hand in hand with solidarity. Solidarity means the company-wide consensus and synergy, from the top leaders to employees.

Therefore, unity is the first and foremost factor in every development process, and the key to success. Without unity, harmony, and consensus, a company cannot develop or achieve further and higher goals. Solidarity will make strength, enabling Baoviet to overcome all obstacles, drive business developments, reinforce the beliefs, and aim further.

**SYNERGY**  
**Collective Strength to Aim Further**

A talented individual will be more likely to achieve personal growth within a dream team. And a strong professional team will be more likely to attain high performance within a capable community. Synergy will help leverage our existing advantages and unlock the strength of consensus, unity, and sharing culture to shape more sustainable corporate values.

Baoviet continues to reaffirm its role as the leading financial-insurance group in Vietnam by providing insurance, investment products and financial services. Synergy will allow us to leverage our existing advantages in terms of distribution network, resources so as to design outstanding integrated products that are competitive, accommodate customers’ diversified needs, and make better use of Baoviet’s resources and costs. This aims to promote our collective strength on the basis of a firm foundation.

**INNOVATION**  
**Innovation to Drive Business Developments**

In the national economic integration agenda, innovation and creativity are among the keys to market players’ success. In the 50 year development journey, Baoviet experienced different sessions of innovation and business transformation to comply with international standards before taking over the market leading position.

As our peer group companies are growing fast and competing hard, innovation is crucial for Baoviet to enhance competitiveness and ensure long-term development. The way we think has now been shifted, and re-built on the basis of ‘dare to think, dare to act’.

Baoviet has evolved to become the leading financial-insurance group in Vietnam over its 50 years of history. Breakthrough thinking is what it takes for Baoviet to continue to write another extra-ordinary chapter in our development history.

Beliefs to consolidate the unity and bring people together

Beliefs about the importance of sharing are what shapes corporate culture

Sharing, coupled with open and straightforward discussion, will result in a common perception, and a strong consensus, then unity will be reinforced and make everyone follow the same path, pursue the same goal, and use their best endeavours for ‘One Baoviet’.

Beliefs to generate collective values

Beliefs to enable Baoviet to transform and grow stronger

Sharing, coupled with open and straightforward discussion, will result in a common perception, and a strong consensus, then unity will be reinforced and make everyone follow the same path, pursue the same goal, and use their best endeavours for ‘One Baoviet’.
BaoViet has been playing a pioneer role in Vietnam over the past 50 years, as we helped establish the country’s markets of non-life insurance, life insurance, and securities, and were among the very first State-owned enterprises to successfully equitize. Also, we set an example for other companies in launching pilot insurance programs initiated by the Government to protect the rights of the Vietnamese people in disadvantaged areas, and in preparing and submitting the consolidated annual report, sustainability report according to the international standards.

Everyday we are making our utmost efforts to be part of the pioneer legacy. The devoted, passionate, and work savvy employees of BaoViet are working day and night to contribute to the development of BaoViet in particular and Vietnam in general, and remain a pioneer in new chapters of growth. BaoViet people will always and forever hold the spirit of ONE BAOVIET and BAOVIET IS NUMBER ONE in our heart and mind.

Within each BaoViet employee lies the ambition to set new paths, gain new accomplishments, and the desire to grow stronger and reach further. Together we will continue to enhance our competitiveness, untap new business areas, and develop a long-term strategy to effectively allocate and leverage resources.

Engaging employees in business activities

Each employee is a brand ambassador

In 2015, we implemented 05 workshops to introduce insurance products to employees at subsidiaries headquarters. The workshops strengthened understanding about products, answered feedbacks and recommended suitable products based on personal needs. BaoViet also launched special promotions for staffs to boost internal sales, enabling our employees to experience our own products and give recommendations to further complete the products to satisfy customer’s needs.

With BaoViet’s diversified financial – insurance package, it is highly important for our employees to understand products information including benefits and added values. Each employee is a brand ambassador, representing corporate image when meeting with stakeholders and connecting the company with potential customers.

Engaging employees with social activities

Together for a better community

BaoViet encourages our staffs to participate in our social projects with the hope that they will better understand our meaningful practical experience (This point of view is stated in BaoViet Code of Conduct and Business Ethics issued on January 2016).

There are several programs which attract participation by many BaoViet employees such as: Visiting Truong Sa paracels project – visiting and give presents to our soldiers in 11 islands of Truong Sa paracels; Warm winter project at Son Vi, Meo Vac, Ha Giang organized by BVSC; Terry Fox run project…

Besides funding projects, other community activities also receive lots of support and participation by groupwide employees. In 2015, there are 865 BaoViet staffs took part in social projects, account for 257,500 working hours.

<table>
<thead>
<tr>
<th>Employee contribution to community project</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>1,000</td>
<td>850</td>
<td>865</td>
</tr>
<tr>
<td>Hours contributed</td>
<td>198,800</td>
<td>234,000</td>
<td>257,500</td>
</tr>
</tbody>
</table>

Engaging employees with environmental activities

Joining for the mutual goal of the group

The term “Sustainable development” has become more and more familiar to BaoViet employees with our constant messages delivered via groupwide internal newsletter. Throughout our series of communications stories, e-signature system, posters on energy saving…, we strive to improve employee awareness on sustainability and our environmental protection goal.

In 2015, BaoViet continued to successfully adopt 5S program to “Sort – Set in order – Shine – Standardize – Sustain” our workplace and documentary system. This program improved working efficiency and reduced unnecessary usage of papers and stationery. Together with maintaining our standards of 2014, BaoViet achieved remarkable improvements in sorting and setting digitalized documents in order, minimizing usage of hard copies, reducing paper use, saving searching time, easing internal sharing and increasing productivity.

“Beliefs to lead to great success"
SUSTAINABLE SOCIAL RESPONSIBILITY

- Launching Community-oriented products
- Sustainable community development
- Scoring community sponsorships
DISCLOSURE ON MANAGEMENT APPROACH (DMA)

Baoviet’s sustainable development strategy, while focusing on the goal of delivering resilient business growth, aims to ensure the community benefits and environment protection. Therefore, Baoviet gives high priority to fulfilling social responsibility.

As the important social responsibility of insurance products is to help easing the financial burden of customers who suffer a loss or damage, Baoviet invests in developing micro-insurance products such as agricultural insurance, student insurance, motor vehicle insurance to enable low-income customers in rural areas to access insurance products that protect their well-being and agricultural production. At the same time, we help reduce the society’s financial pressure by designing pension insurance which will give retired labours a stable income, strengthen the relationship between the employer and employees, and resolve the problems caused by the State’s insufficient social insurance fund.

With a view to build a better life for the community, Baoviet also contributes to community projects. Baoviet understands that community activities are long-term sustainable investment of the company. Baoviet, on behalf of our shareholders, implements social projects to benefit the community and benefit ourselves by optimizing values that such projects contribute to local people and maximizing Baoviet’s influence on the local community.

INVEST IN DEVELOPING COMMUNITY - ORIENTED PRODUCTS

On 19 November 2015, Baoviet Life (a subsidiary of Baoviet) launched a new product called Huu tri vung nghiep. This is a voluntary group pension plan designed for companies and organizations, allowing these corporate customers to establish a professional workplace accompanied by attractive and long-term welfare policies to enhance employees’ engagement, as many employers nowadays are implementing an employee-focused strategy.

Thanks to periodic pension benefits of Huu tri vung nghiep product, employees will be entitled to stable and regular post-retirement income. So as not to have their income abruptly lowered when stepping into retirement, in addition to periodic pension benefits, employees may choose Special Retirement Plan to promptly receive a proportion of the accumulated value as soon as they retire, financing their immediate retirement activities at the new chapter of life. Another option is Comprehensive Retirement Plan to financially support and protect all family members from potential risks in life. In the event that a risk occurs to the insured in the periodic pension benefit payment duration, the accumulated value will not be lost but be completely transferred to the beneficiary.

Moreover, both employers and employees are entitled to preferential tax policies as the employers’ pension insurance purchased for employees will be counted as company expenditure in compliance with Law on Enterprises. Employees will pay Personal Income Tax only at the insurance payout time.

The launch of Huu tri vung nghiep product not only helps to ease the financial burden of the State’s social insurance funds and budget, but also provides enterprises with a solution to enhance employees’ engagement, reinforces the organizational structure, and attract a high quality workforce.

MAINTAIN MICRO - FINANCE PRODUCTS FOR LOW INCOME PEOPLE

Micro-insurance products protect the majority of the population against specific risks in exchange of low premium payments. Despite accounting for a small proportion of total insurance premium revenue, micro-insurance products remain Baoviet’s focus over the years with a view to protect and financially support rural and urban families living in poverty or near poverty line.

School insurance – Supporting schools with study motivation

At a young age, school children tend to be active and have the love for discovery, so they are at risk of school-related accidents. Although the claims ratio of this product is relatively high while the total premium revenue remains low, Baoviet has kept promoting the school insurance product nationwide, aiming to support the local study motivation.

For the previous school year, Baoviet spent nearly VND200 billion as compensation value for over 200,000 accidents of students and teachers. Baoviet complimentary insures students from families recognized by the Government, families of veterans and martyrs, and offers 50% discount on premium for the disabled students, orphan and homeless students, and other less fortunate students. These offers serve as one type of social policies to assist the development of education.

Motor vehicle insurance – Mitigating the risks faced by people on roads

The alarming growth rate of traffic accidents poses a challenge for Vietnam. Raising the awareness of people on roads and mitigating the damages caused by accidents remain Baoviet’s key focuses in the provision of motor vehicle insurance.

Baoviet now insures more than 3.5 million motorcycles and cars nationwide, covering fire and explosion damages, compulsory civil liability of vehicle owner, passenger injuries. In order to raise the awareness of people on roads, mitigate the road risks, we focus on educating people via different communications channels including outdoor billboards on big roads, installing traffic mirrors on dangerous roads.
SUSTAINABLE COMMUNITY DEVELOPMENT

In 2015, Baoviet spent nearly VND28 billion in community investments, increasing by 37% compared to 2014. More than VND8 billion out of the total investment was set aside for education and youth projects, such as scholarship program for excellent students, disadvantaged students with good academic standing. Baoviet also invested in the construction of two schools in Dinh Bien (Thai Nguyen) and Cao Tan (Bac Kan) to provide more educational establishments for local students, well-equipped classroom and study appliances to support with teachers’ work.

Poverty alleviation
Investment in education and youth projects
Appreciation of war martyrs and veterans’ family
Other activities

45% 30% 15% 10% 10%

Poverty alleviation
Investment in education and youth projects
Appreciation of war martyrs and veterans’ family
Other activities

Unit: VND

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Initiative</th>
<th>Implementation cost (as at 31st Dec 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POVERTY ALLEVIATION</strong></td>
<td>Support social welfare for Kien Giang province</td>
<td>5,000,000,000</td>
</tr>
<tr>
<td></td>
<td>Construction project as selected by the province (Kim Son Town Clinic)</td>
<td>1,609,980,307</td>
</tr>
<tr>
<td></td>
<td>Contribute capital for Cao Tan Primary School</td>
<td>7,500,000,000</td>
</tr>
<tr>
<td><strong>INVESTMENT IN EDUCATION AND YOUTH PROJECTS</strong></td>
<td>Construct the primary school for Dinh Bien commune, Dinh Hoa</td>
<td>5,232,643,600</td>
</tr>
<tr>
<td></td>
<td>Deliver ‘Beliefs Light Up Your Future’ scholarship for Academy of Finance students</td>
<td>166,000,000</td>
</tr>
<tr>
<td></td>
<td>Deliver ‘Beliefs Light Up Your Future’ scholarship for National Economics University students</td>
<td>326,000,000</td>
</tr>
<tr>
<td></td>
<td>Deliver ‘An Sinh Giao Duc’ scholarship</td>
<td>1,680,000,000</td>
</tr>
<tr>
<td></td>
<td>Co-sponsor the Internet-based online maths competition ViOlympic, together with Ministry of Education and Training and FPT</td>
<td>512,000,000</td>
</tr>
<tr>
<td></td>
<td>Donate bikes to students of Ninh Thuan province</td>
<td>220,000,000</td>
</tr>
<tr>
<td></td>
<td>Deliver scholarship and gifts for disadvantaged students with good academic standing, which is rolled out in Baoviet Life’s provincial branches</td>
<td>52,500,000</td>
</tr>
<tr>
<td></td>
<td>Deliver scholarship and complimentary English course for Do Re Mi contest winner</td>
<td>10,500,000</td>
</tr>
<tr>
<td></td>
<td>Baoviet Embracing Steps to Schools</td>
<td>48,000,000</td>
</tr>
<tr>
<td><strong>APPRECIATION OF VETERANS’ FAMILY</strong></td>
<td>Construct the renovation of Quang Tri Citadel the ancestor honoring place</td>
<td>1,128,716,500</td>
</tr>
<tr>
<td></td>
<td>Support the South’s Economy &amp; Finance Committee</td>
<td>500,000,000</td>
</tr>
<tr>
<td></td>
<td>Grant gratitude houses by Baoviet subscribaries</td>
<td>44,400,000</td>
</tr>
<tr>
<td></td>
<td>Support Quang Tri Citadel veterans</td>
<td>20,000,000</td>
</tr>
<tr>
<td></td>
<td>Visit wounded warrior wellness center at Phu Tho</td>
<td>36,000,000</td>
</tr>
<tr>
<td><strong>OTHER ACTIVITIES</strong></td>
<td>Send High speed boat supporting Truong Sa island</td>
<td>3,600,000,000</td>
</tr>
<tr>
<td></td>
<td>Support Commission for Mass Mobilisation with giving gifts for Truong Sa island district</td>
<td>100,000,000</td>
</tr>
<tr>
<td></td>
<td>Give gifts to two children with blood cancer, who are kids of border soldiers working at Co Ba Border Station of Cao Bang</td>
<td>10,000,000</td>
</tr>
<tr>
<td></td>
<td>Participate in Terry Fox Run</td>
<td>29,000,000</td>
</tr>
</tbody>
</table>

51% 30% 13% 6%

Poverty alleviation
Investment in education and youth projects
Appreciation of war martyrs and veterans’ family
Other activities

G4 - SO1

Baoviet contributes to the local community’s sustainable development by focusing on specific areas, engaging employees in community projects. Baoviet’s priorities in community investments include: Poverty alleviation, Investment in education and youth projects, Appreciation of war martyrs and veterans’ family, Natural disaster recovery and other activities.
SUSTAINABLE POVERTY ALLEVIATION RESULTS IN THE PERIOD OF 2009-2015 UNDER 30A PROGRAM

1. Support two rural districts with the removal of damaged houses for households under preferential treatment policy, and renovation of 910 houses  
   - VND4.5 billion

2. Renovate and newly build 31 schools and clinics for disadvantaged communes  
   - VND72.8 billion

   Pac Nam rural district: 21 construction projects  
   - 01 boarding homestay
   - 05 kitchens for boarding students
   - 02 educational equipment for primary and secondary students
   - 02 kindergartens
   - 03 primary schools
   - 01 project to level the ground of construction site
   - 07 communal clinics

   Que Phong rural district: 10 construction projects  
   - 04 boarding homestay
   - 01 boarding facility for minority group boarding school
   - 04 communal clinics
   - 01 primary schools

   - VND48.6 billion

3. Support other provinces: 26 construction projects  
   - VND60 billion

   TOTAL  
   - VND137.3 billion

FINANCIALLY SUPPORT LOCAL COMMUNITY

Baoviet invested over one billion VND in social welfare activities in Ha Giang

While supporting the poor rural districts such as Que Phong, Pac Nam in accordance to the 30A Program on Initiatives to help rapidly and sustainably reduce poverty for 62 poor rural districts, Baoviet proactively implemented poverty alleviation projects in other poor rural districts not within the scope of the aforesaid Government Program.

Donate purebred cows, build a promising future

Living in between remote mountains of the Northern Vietnam, minority groups like Mong, Tay, Nung, Dao, Lo Lo… in Ha Giang province have to face difficulties everyday. As we prefer ‘teaching a man how to fish, not giving him a fish’, Baoviet wishes to finance the poverty alleviation initiative here by giving the local residents the tools that enable them to earn their living.

In December 2015, Baoviet donated 10 purebreded cows to poor households of Lung Cu commune, Dong Van rural district, Ha Giang province. With one purebreded cow granted to each poor household, local residents were given the opportunity to sustainably escape from poverty.

Preserve culture, boost tourism

With a view to preserve, promote tangible and intangible cultural heritage of Lo Lo minority group, attract more tourists and facilitate economic development for the area, Baoviet invested in the construction of Lo Lo Minority Group Culture Center in Lo Lo Chai Hamlet, Lung Cu Commune, Dong Van Rural district, Ha Giang province. The construction is expected to complete within the first quarter of 2016, with total investment of VND700 million.

Baoviet Holdings also granted VND50 million for supplement of the local fund and donations to local residents to build gratitude house for a poor household in the commune.

In accordance to the 30A Program on the support for fast and sustainable poverty reduction in 61 poor districts. In 2015, Baoviet invested over VND14 billion in the construction of Kim Son Town Clinic for Que Phong rural district, and Cao Tan primary school for Pac Nam rural district.

After seven years of implementing this poverty alleviation program as initiated by the Government, total investment of Baoviet amounted to VND133 billion. With a view to reduce economic impacts on the unbalanced development between urban and rural areas by investing in the infrastructure establishment to benefit residents in disadvantaged provinces, allow them to focus on farming and manufacturing, Baoviet’s poverty alleviation initiatives also reached the residents in other provinces like Nam Dinh, Vinh Phuc, Quang Tri, Phu Yen, Kien Giang, Ben Tre…

- Donate to the removal of damaged houses at Ca Lui commune, Soni Hao Rural district, Phu Yen province
- Build a kindergarten for Nam Duong commune, Nam Truc rural district, Nam Dinh province
- Organize a pre-school class for Ngau 1 hamlet, Hung My commune, Chiem Hoa rural district
- Construct Quang Tri Citadel Kindergarten…

TOTAL VND137.3 billion
In 2015, Baoviet signed an agreement with two leading universities National Economics University and Academy of Finance, under which Baoviet commits to sponsor scholarships for excellent students and less fortunate students with good academic standing.

Beliefs Light Up Your Future scholarship will be continuously set aside for excellent students, with a view to give them faith and hope in a better future for everyone.

Under the cooperation project, two parties will enhance market research, training, recruitment, products and services provision. The agreement will last five years from 2015 to 2020, with the maximum scholarship value to VND5 billion to nurture the students’ eagerness to learn and grow.

Baoviet held some students gatherings at our Headquarters, where our Chief Executive Officer and other Management Board members shared the expectation that ‘Baoviet – Beliefs Light Up Your Future’ scholarship will enable students to unlock their potentials so as to build a better future for themselves, their school and the nation also. Hopefully these students will set an example for other schoolmates, encouraging all students to study hard to receive Baoviet scholarship in the next school years.

In addition to the scholarship, Baoviet has implemented recruitment plans, internship programs, and cooperated with these universities to conduct in-depth finance-insurance research, with a view to attract talents, provide opportunities for students to experience on-job-training and grow during their university time.

Dinh Bien is one of the specially disadvantaged communes of Dinh Hoa rural district, with the proportion of poor households accounting for nearly 25%, minority groups making up over 90%. Furthermore, residents’ income is mostly generated from agricultural production, resulting in many challenges in life. The existing communal primary school is a two floor house with eight classrooms, other facilities for schooling is temporarily built houses that fail to meet with necessary teaching and studying requirements. The commune is having difficulty in constructing a national standard school.

Baoviet Holdings donated VND5.3 billion to support with the construction of Dinh Bien primary school, aiming to accelerate the completion of a national standard school for the commune. After four months of construction, Dinh Bien primary school of Dinh Bien commune, Thai Nguyen province officially came into operations on 05 August 2015. The newly built school meets the national standards in terms of school size and scale, interior equipment, and other necessary facilities to accommodate the students’ study needs, which will facilitate their learning.

Newly built facilities include: A two floor school boasting six classrooms, with total floor area of 483sqm, an one-floor house for School Management Board, Interior equipment and devices for classrooms and teachers’ room, and Some auxiliary facilities.

Becoming an official sponsor for ViOlympic since the school year of 2014, Baoviet Life plans to have long-term corporate sponsorship with ViOlympic in order to support FPT University with strengthening Vietnamese students’ love of studying maths. The competition is a useful online platform to awaken the passion for maths, help students enrich knowledge, develop their way of thinking, and access to computers and modern technology.

Aiming to help students practice and get familiar with different types of maths quizzes, starting at the school year of 2014 – 2015, Baoviet launched the website for ViOlympic practice http://baovietnhantho.violympic.vn, and made it available to any students in the country. With simple registration procedures, ViOlympic practice website allows students to unlimitedly select any round from nineteen competition rounds and try solving all the quizzes.

ViOlympic, which has become popular in all regions - Northern, Central, and Southern Vietnam, reaffirms its leading position in educating, supporting with, and developing maths skills for Vietnamese students. In 2013, ViOlympic officially launched the maths competition in English language. In the school year 2014 - 2015, ViOlympic has had 20 million registered members, and grown to be the most reliable brand for internet-based maths competition.
**EDUCATION AND YOUTH PROJECTS**

**Granting An Sinh Giao Duc scholarship**

Every year over 200,000 children drop out of school in Vietnam, mostly because they came from a poor family and had to walk a very long way to attend school. This will negatively influence on their studying results and even their future. With more than 10 years of joining the National Fund for Vietnamese Children in An Sinh-giao Duc scholarship program, Baoviet has granted tens of thousands of scholarships and gifts to specially disadvantaged students nationwide. In 2015, Baoviet donated nearly 1,500 bikes for poor students with good academic standing in more than 60 cities and provinces.

Baoviet hopes “An Sinh Giao Duc Scholarship” program will encourage the learning spirit and striving toward for a better life of their own; thereby, contribute to the nation development to be more prosperous in the future.

**APPROPRIATION OF VETERANS’ FAMILY**

**Appreciation to war martyrs in Quang Tri province**

In the implementation of the Decision of Quang Tri People’s Committee regarding the repairing of Mai Linh military base, as requested by provincial authorities, Baoviet has supported since 2010 with the construction and repair of four memorial monuments, such as war martyrs headstones, stela monuments, marked headstones for K10 Quang Tri Special Force, installation of lighting system and tree plantation...

Baoviet continues to donate VND370 trillion to repair the relics and organized a ceremony to receive Historic Relic Certificate for Mai Linh military base, which was open on 09 March 2015, the date that marks the 40th anniversary of the last fight of K10 Special Force at Mai Linh military base. Also on this date, Hai Phu commune was granted Provincial Historic Relic Certificate for Mai Linh military base.

On this occasion, Mr Dao Dinh Thi and Mr Nguyen Quang Phu, Deputy Secretary Party Committee, Chief Executive Officer of Baoviet Holdings, represent Baoviet Management Board to give ten special gifts to ten families of war martyrs, and wounded warriors in Hai Phu commune, Hai Long rural district, Quang Tri province.

On 08 March 2015, Baoviet Holdings employees had a giveback day at Thua Thien – Hue province. They visited and gave gifts to the family of Ms Tran Thi Ly, the youth volunteer at Quang Phu commune, Quang Dien rural district and the family of Mr Duong Ben, which is the family of anti-America war martyrs at Hien An hamlet, Phong Son commune, Phong Dien rural district. In 2014, Baoviet Holdings Trade Union donated VND50 million for each household to build their new home. During this visit, Baoviet Holdings leaders gave these two households a LCD television worth VND5 million each.

In 2015, Baoviet constructed Quang Tri Citadel ancestor honoring temple so that local residents and tourists can easily visit this important relic.

Baoviet also visited and gave gifts to soldiers at Wounded warrior wellness center at Phu Tho, soldiers at Quang Tri Citadel; gave gratitude houses to Vietnamese heroic mothers and veterans’ family in some provinces on the occasion of Martyrs Day 27 July; and conducted other goodwill activities.

**EDUCATION AND YOUTH PROJECTS**

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Baoviet donated CQ vessel and gifts to soldiers and residents of Truong Sa

Appreciating the sacrifice of soldiers working night and day to protect the motherland and ensure a peaceful life, since 2014, Baoviet has initiated different programs to awaken the groupwide employees’ nationalism, encourage them to support the island soldiers. Great examples include the Baoviet Beliefs program, which encourage employees to take photos with the national flag at the background, Joining hands for homeland sea and island – donations to support island soldiers; Launching fishery insurance to support fishermen, encourage offshore fishing, and contribute to the nation’s fisheries development.

Moreover, on 15 May, Baoviet Holdings sent a working group to Truong Sa to visit and encourage the soldiers. At the event, Mr Dao Dinh Thi, Chairman of Baoviet donated a CQ vessel worth VND3.5 billion to the island soldiers. The working group visited 11 military locations, gave donations in cash and in kind to Truong Sa soldiers, with total donation value of VND250 million.

Baoviet employees donated blood for a better life

Baoviet works with National Institute of Hematology and Blood Transfusion to regularly organize blood donation event to give blood to those in need. Rolling out this program, Baoviet wishes to keep patients optimistic and regain their faith in life.

This is the third time Baoviet initiated a Voluntary Blood Donation program at Baoviet Holdings Headquarters. More than 300 employees, agents, and consultants from Hanoi participated in the program, collecting approximately 350ml of blood for National Institute of Hematology and Blood Transfusion.

Under this program, Baoviet Holdings also donated VND10 million and gave gifts to two young patients Nguyen Kha Trong Anh and Nguyen Kha Nhat Anh, children of Mr Nguyen Kha Nghia, a soldier working at Co Ba Border Station of Cao Bang. These two patients are having blood cancer and under treatment at National Institute of Hematology and Blood Transfusion. This demonstrated Baoviet employees’ kindness towards the family of the soldier taking responsibility of protecting the nation.

Scoring community sponsorships

In 2015, Baoviet continued to apply our community sponsorship scoring matrix in 80% of our projects. The matrix was added with sustainability criterias including: impacts on community, impacts on ecosystem and local environment.

The matrix covers 20 criteria with the total score of 100, and includes overall reviews on Project objective and scope, Benefits for the communities, Number of beneficiaries, Ability to sustain project effects after the full disbursement of sponsorship funds...
SUSTAINABLE ENVIRONMENT PROTECTION IN BUSINESS OPERATIONS

- Green Business
- Solutions to reduce energy consumption in cutting greenhouse gas emissions
Aiming at building sustainable value chain

In 2015, Baoviet incorporated Governance - Social and Environmental elements in the assessment of supply chain, investment projects, and risk management by adding legal obligations to the contracts with the main supplier, investment project management procedures, and capital contribution process. Environmental protection will continue to be incorporated in business operations in 2016, aiming to build sustainable value chain of Baoviet. We strongly believe that Baoviet’s environmental goal will be easily fulfilled with the support from our stakeholders, especially the ones in our value chain.

SOLUTIONS TO REDUCE ENERGY CONSUMPTION IN CUTTING GREENHOUSE GAS EMISSIONS

Power saving in our buildings

According to the findings of Energy Efficiency in Buildings Report by the World Business Council for Sustainable development, buildings consume at least 40% power resources in most countries, and increase greenhouse gas emissions. Therefore, Baoviet strongly concentrated on saving power in office buildings of Baoviet across the group.

- **Energy consuming systems**
  - Air-conditioning system (-consuming 40-60% of power)
    - Periodically maintain machines and equipment
    - Keep the temperature at 25-27 degrees Celsius, avoid a significant difference between indoor temperature with air conditioning and outdoor temperature, arrange cooling rooms to directly receive solar radiation…
    - Turn off the air-conditioning after 17:30
  - Lighting system (consuming 15-20%)
    - Replace inefficient lighting system (filament light bulbs, fluorescent lamps with magnetic ballasts…) by energy efficiency lighting equipment (energy saving compact fluorescent lamp with electric ballast…)
  - Warm water system (5 – 10%)
    - Use automatic outdoor lighting equipment (at specific time, at specific natural light levels…)
    - Replace multiple electric water heaters by Diesel Oil central water
Environmental protection project in building management

In 2015, BaoViet Holdings continued to conduct assessment on environmental impacts generated from our buildings located in Hanoi. The assessment includes:

- Report on environmental protection activities including air environment control solutions, water pollution, solid waste, and dangerous waste treatment, on-site fire protection force and facilities

BaoViet continued to implement the Environmental protection project (approved by the Department of Natural Resources and Environment in 2014) in our buildings. This project includes solutions to reduce water pollution by adding biotic preparation, clear discharge system to ensure clean environment, periodically check on water emission system to reduce blocked discharge.

Summarized content of solutions to negative emission sources in our project is as follows:

<table>
<thead>
<tr>
<th>Emission sources affecting the environment</th>
<th>Technical solutions</th>
<th>Environmental solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common solid waste:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid waste mostly discharged from office activies of employees in the building.</td>
<td>BaoViet provides 01 large composite trash can and 01 small bin at each floor to collect waste.</td>
<td>Promote communications to raise awareness of employees to reduce paper in printing operation.</td>
</tr>
<tr>
<td>Solid waste includes paper waste, dry pen, carton, fruit skins.</td>
<td>Everyday, building janitor cleans out every office room and hall.</td>
<td>Reusing stationery including pens and plastic facilities.</td>
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<td></td>
<td>At the end of workday, building janitor collect trash from all trash cans at main building door.</td>
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<td></td>
<td>Promote communications to raise awareness of employees to reduce paper in printing operation.</td>
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<td></td>
<td>Reusing stationery including pens and plastic facilities.</td>
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<tr>
<td>Air waste</td>
<td></td>
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<tr>
<td>Air waste from vehicles</td>
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<tr>
<td>• Vehicles go in and out of the building (using gas and Diesel oil)</td>
<td>Place trees to reduce dust in the air.</td>
<td>Establish Youth Tree Growing project to increase the number of trees in BaoViet’s operation areas.</td>
</tr>
<tr>
<td>• Vehicles of customers visit the building.</td>
<td>Request vehicles to turn off engine before going in to the building.</td>
<td>Enhance 5S project for a green, clean and efficient working environment.</td>
</tr>
<tr>
<td>• Vehicles run on Le Thai To street.</td>
<td>Arrange parking lot for customers visit the building.</td>
<td></td>
</tr>
<tr>
<td>Dust and gas from vehicles increase the air pollution in the area needs reduction solutions.</td>
<td>Clean the building everyday.</td>
<td></td>
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<tr>
<td>Increased air pollution will cause health consequences affecting local community.</td>
<td>Arrange air flow fan at the parking basement to provide fresh air.</td>
<td></td>
</tr>
<tr>
<td>Dangerous waste</td>
<td></td>
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</tr>
<tr>
<td>About 1kg damage halogen light bulb per month; about 1kg printing ink waste per months; about 1kg oily cleaning cloth per month. Total 3kg of dangerous waste per month.</td>
<td>Although the quantity of dangerous waste is little, BaoViet sort out and collect them according to Circular 12/2011/TT-BTNMT released on 18/4/2011 about dangerous waste treatment. All dangerous waste was kept in separate box at separate collecting areas and labelled danger. BaoViet signed contact with vendor to collect and transport dangerous waste out of the building. Time of keeping dangerous waste in the building does not exceed 1 year, according to Circular 12/2011/TT-BTNMT.</td>
<td></td>
</tr>
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</table>

Legal compliance related to environmental protection

In 2015, with strictly compliance to environmental regulations, BaoViet and its subsidiaries have no records on any violations or punishment cases from the authorities related to environmental protection.
The sustainability report's priority target is to help us deliver our sustainable development strategy. When each of our members clearly understands his action and contribution to the corporate goals then our strategy is successfully delivered.

GRI - G4 version provides a comprehensive view on corporate sustainability initiatives. Therefore, Baoviet applied this report criterion on our 2015 sustainability report.

This report contains Standard Disclosures and supplementary disclosure from the GRI Sustainability Reporting Guidelines regulating Financial Services industry.

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<td>FS3</td>
<td>Processes for monitoring clients’ implementation of and compliance with environmental and social requirements included in agreements or transactions</td>
<td>For individual customers, we do not incorporate environmental and social principles in their insurance policy. However, for corporate customers, we introduce special offers to encourage companies to buy insurance package for employees to ensure the employees’ benefits.</td>
<td></td>
</tr>
<tr>
<td>FS4</td>
<td>Processes and procedures for improving staff implementation of environmental and social policies in business lines</td>
<td>Baoviet engaged risk management in operations to ensure Board of Management and our employees understand the important role of risk management and proactively incorporate risks in our daily activities including the decision-making process.</td>
<td></td>
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<td>FS5</td>
<td>Interactions with clients/investee/business partners regarding environmental and social risks and opportunities.</td>
<td>Engaging stakeholders is sustainability</td>
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<td>Portfolio proportion by specific region, size (e.g. micro/SM/E/large) and by sector of business lines</td>
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<td>FS7</td>
<td>Monetary value of products and services delivered social benefit in business lines</td>
<td>Launching community-oriented products</td>
<td>118</td>
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<tr>
<td>FS8</td>
<td>Monetary value of products and services delivered environmental benefit in business lines</td>
<td>Baoviet does not provide products and services that directly impact on environment. In fact, while launching agricultural insurance, we coordinate with local authorities to introduce safe and sustainable production method to farmers. This helps to minimize environmental impacts.</td>
<td></td>
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**ACTIVE OWNERSHIP**

**GRI Disclosure Item** | **Report of Baoviet** | **Page**
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G4-1 | Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy | Chairman’s Message | 16
G4-2 | Description of key impacts, risks, and opportunities | Trend of Sustainable development | 42
G4-3 | Name of the organization | Business information | 24
G4-4 | Primary brands, products, and/or services | Business information | 24
G4-5 | Location of organization’s headquarters | 8 Le Thua To, Hang Trong Ward, Hoan Kiem District, Hanoi | |
G4-6 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability reporting | Business information | 24
G4-7 | Nature of ownership and legal form | Corporate Governance Structure | 28
G4-8 | Markets served | Business Network | 27
G4-9 | Scale of the reporting organization | Business lines and network | 26
G4-10 | Employees distribution | Baoviet Human Resources | 102
G4-11 | Percentage of total employees covered by collective bargaining agreements. | 100% (for more information, refer to Employee equal treatment) | 107
G4-12 | Describe the organization’s supply chain | Engaging sustainability in our supply chain | 97
G4-13 | Significant changes during the reporting period regarding size, structure, or ownership | We have no significant changes relating to these matters | |
G4-14 | Precautionary approach or principle is addressed by the organization. | Sustainable risk management | 62
G4-15 | Externally developed economic, environmental and social charters, principles, or other initiatives the organization exposed | - Principles of Responsible Investment | 68
| | | - Scoring community sponsorship projects matrix | |
| | | - Regulations Corporate Governance | |
| | | - Code of conduct and professional ethics | |
| | | - Management processes of investing projects | |
| | | - Processes of equity investments | |
G4-16 | List of memberships of associations | - The Association of Vietnamese Insurance |
### Indicators and Disclosures

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SUSTAINABILITY REPORT
BAOVIET HOLDINGS

LOCAL COMMUNITY

G4-EN24 Total mass of substantial liquid diffused
Baoviet did not implement measurement of this indicator

SOCIAL OBJECTIVES

LABOR PRACTICES AND DECENT WORK

Employment
G4-LA1 Total number and rate of new recruitment and resignation rate by age, gender and region
Baoviet Human Resources
G4-LA2 Benefits for full-time employees (not for temporary or part-time employees)
Baoviet Human Resources

Training and Education
G4-LA9 Average hours of training per year per employee by gender and employee category
Increasing the employee's benefits
G4-LA10 Programs for skills management and long-term academic that support the continued employability and assist employee in managing career endings
Improving human resources quality
G4-LA11 Percentage of employees receiving evaluation of effectiveness performance and regular career progression
Work efficiency management system and performance-based payment policy

DIVERSITY AND EQUAL OPPORTUNITY

G4-LA12 Composition of management and employee classified by gender, age group, members of ethnic minority groups, and other indicators
Baoviet Human Resources

SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria
ESG embodied in investment activities (assured by PwC)

HUMAN RIGHTS

G4-HR1 Total number and percentage of significant investment agreements and contracts that include
ESG embodied in investment activities (assured by PwC)
High quality publications are printed on the natural certified papers.
Wood fibers are produced from elastic and time-durable wood.
Baoviet's Sustainability reports are printed on the FSC certified papers
to promote our responsible forestry.
Baoviet commits to maintain harmonious living environment.
High quality publications are printed on the natural certified papers. Wood fibers are produced from elastic and time-durable wood. Baoviet’s Integrated reports are printed on the FSC certified papers to promote our responsible forestry. Baoviet commits to maintain harmonious living environment.