BINH THUAN PLASTIC GROUP

ESG REPORT 2025

INDUSTRIAL SUSTAINABILITY PLATFORM



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CHAPTER I

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1.1. REPORTING METHODOLOGY AND PRINCIPLES

1.1.1 SUSTAINABILITY CONTEXT AND OBJECTIVES

As globalisation advances and climate change becomes increasingly complex, sustainable development has become an inevitable direction for any modern business seeking to survive and grow over the long term. At Binh Thuan Plastic Group Joint Stock Company (hereinafter "the Group", "Binh Thuan Plastic" or "BPG"), sustainable development is one of the core strategic directions and runs throughout the company's vision for the long term.

a. Sustainable development trends in modern corporate governance

In contemporary corporate governance, sustainable development is seen as both an ethical commitment and a comprehensive management model in which economic performance is weighed alongside environmental and social responsibility. This is commonly known as the three pillars of development (economic, environmental and social). The approach requires companies to extend their accountability beyond traditional financial indicators and to measure and disclose their actual impact on stakeholders.

b. Market pressure and stakeholder expectations

Key export markets, international customers and financial institutions increasingly treat stringent Environmental, Social and Governance (ESG) requirements as a prerequisite for doing business. The pressure is particularly strong in plastics manufacturing because of the nature of its raw materials and global concern over plastic waste. Companies across the value chain are therefore expected to be transparent about the origin of their raw materials, their production processes and the measures they take to reduce environmental impact.



c. BPG's sustainability direction

At BPG, sustainable development is integrated into the way the company creates value instead of sitting alongside the business as a separate set of initiatives. Across manufacturing, recycling, product development and support services, BPG is building a circular industrial plastics ecosystem in which resources are used more efficiently, material value is extended and product lines are connected throughout their life cycle.

This direction is embedded in BPG's strategy, governance, operations and value chain development. The focus is on moving from a pure manufacturing model to providing circular and sustainable industrial plastic solutions. Beyond making products, BPG aims to connect manufacturing, recycling and services within an open ecosystem and, with its customers and partners, to create value over a longer period for the business, the market and the environment.

Sustainable development gives BPG the foundation to strengthen its competitiveness, drive innovation and expand its circular ecosystem. It is also the basis for BPG's ambition to become the leading circular industrial plastic solutions platform in Southeast Asia, where resources are connected, value is regenerated and growth is built for the long term.



d. A philosophy centred on the customer

Under its philosophy of putting customers at the centre, BPG recognises that product quality is only the starting point for building trust and lasting partnerships. The value the Group creates is tied to its responsibility towards the community, the environment and a balanced future. This reflects modern governance practice, which treats customers and other stakeholders as an integral part of strategic planning rather than simply as end users of products.

e. Legal basis and international commitments

BPG is committed to full compliance with the environmental and social standards set by Vietnamese law. The core legal framework comprises the Law on Environmental Protection No. 72/2020/QH14 dated 17/11/2020 issued by the National Assembly and the Government's Decree No. 08/2022/NĐ-CP dated 10/01/2022 detailing a number of articles of the Law on Environmental Protection, which includes provisions on Extended Producer Responsibility (EPR). The Group also contributes to the shared efforts of the international community by integrating the 17 Sustainable Development Goals (SDGs) adopted by the United Nations (United Nations, 2015), particularly SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).



f. Quantitative targets and the Net Zero roadmap

BPG's sustainability strategy is set out in measurable and monitorable targets: increasing the share of recycled materials, reducing resource consumption, controlling greenhouse gas emissions and moving step by step towards net zero emissions (Net Zero) by 2050. These targets are closely aligned with Vietnam's national climate commitments and the shared goals of the international community.

g. The role of the Sustainability Report

The Sustainability Report is BPG's official and systematic channel for disclosing information to its stakeholders (shareholders, customers, partners, employees and the community) on the Group's sustainability vision, roadmap and performance across the three ESG pillars of Environmental, Social and Governance. Regular, consistent disclosure meets accountability requirements and also gives the Group a management tool for assessing its progress towards its targets and adjusting its strategy in good time.

The Sustainability Report is therefore both a statement of responsibility and evidence of BPG's commitment to creating lasting value, with economic growth pursued alongside social responsibility and the protection of the environment for future generations.

1.1.2 REPORTING METHODOLOGY AND PRINCIPLES

BPG's Sustainability Report is prepared on a sound methodological basis, both scientific and practical, so that the information disclosed is comprehensive, accurate and objective. In every section, the Group gives particular weight to transparency, comparability and alignment with international practice.

a. Reporting methodology

In preparing this report, BPG has referred to the latest Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), namely the GRI Standards 2021 (GRI, 2021). These standards provide a consistent framework for identifying material topics, defining the reporting scope and selecting disclosures for each area. They include standards for specific topics, such as GRI 305 (Emissions), GRI 306 (Waste) and GRI 301 (Materials), which are directly relevant to the Group's plastics manufacturing operations.

The Group also integrates content aligned with the United Nations' 17 Sustainable Development Goals (SDGs) and with Environmental, Social and Governance (ESG) assessment criteria into each section of the report. This allows the report to be benchmarked against international practice. It also enables stakeholders, particularly investors and financial institutions, to evaluate BPG's sustainability performance against a common frame of reference that is comparable across reporting periods and with other companies in the same industry.

In addition, BPG applies Europlastic's standards for the sector to assess the environmental impact of plastics manufacturing, the Group's core business. Using both a universal reporting framework (GRI) and standards specific to the industry means the report remains comparable at a global level while reflecting the operational realities and environmental risks specific to the plastics sector.

The content of the report has been determined through a materiality assessment, in which the Group reviewed the issues that have a significant impact on its business and checked them against the actual concerns of its stakeholders.

b. Reporting principles

The report focuses on the material issues and areas that significantly affect BPG's business, while also reflecting the concerns of its stakeholders. All content has been prepared in full compliance with the reporting principles of the GRI Standards 2021 (GRI, 2021), namely:

- ★ ACCURACY
- ★ CLARITY
- ★ COMPLETENESS
- ★ TIMELINESS
- ★ BALANCE
- ★ COMPARABILITY
- ★ SUSTAINABILITY CONTEXT
- ★ VERIFIABILITY



1.2. REPORTING SCOPE

A clearly defined reporting scope is a prerequisite for the accuracy, completeness and verifiability of the information disclosed, in line with the disclosure practices of GRI 2-2 (Entities included in the organization's sustainability reporting) and GRI 2-3 (Reporting period, frequency and contact point) (GRI, 2021). BPG defines its reporting scope along three dimensions: time, organisation and method of disclosure.

1.2.1 REPORTING PERIOD AND DISCLOSURE CYCLE

BPG's 2025 Sustainability Report covers the period from 01/04/2025 to 31/03/2026, on an annual reporting cycle.

1.2.2. ORGANISATIONAL REPORTING BOUNDARY

The report has been prepared within the scope of Binh Thuan Plastic Group Joint Stock Company's operations in the manufacture and trading of plastic pallets and ancillary products for the industrial, agricultural and fisheries sectors. This includes the Group Headquarters and its related companies, each of which performs a specialised function within the Closed Loop Supply Chain Ecosystem model:



Binh Thuan Plastic Group Joint Stock Company (BPG), — Group Headquarters: strategic planning and management for the Group and its member companies; vertical management of operations, finance, budgets and costs; brand, customer and market management.

Binh Thuan Plastic Manufacturing Co., Ltd. (BTP):
Manufactures plastic products for agriculture and fisheries, as well as specialised ancillary products.

BPG Shinnihon Joint Stock Company (BSC):
Produces recycled raw materials and manufactures industrial products.

BPG Retail Joint Stock Company (BPG Retail):
Domestic and international logistics; plastic pallet rental and sustainable supply chain support solutions.

BPG Invest Joint Stock Company:
Responsible for investment, market development, and mergers and acquisitions (M&A).

Khoi Viet Plastic Co., Ltd. (BTL):
Manufactures industrial plastics and supporting industry products in the southern region.

Binh Thuan High Quality Plastic Joint Stock Company (BQP):
Manufactures industrial plastics and provides OEM manufacturing of high quality for domestic customers, FDI customers and internal ecosystem orders.

Vietnam Plastic Mould Joint Stock Company (VPM):
Manages moulds, manufactures and maintains industrial moulds for internal use, and develops precision moulds.

BPG Trading Joint Stock Company:
Trading of virgin plastic resin and management of the recycled raw material supply chain, ensuring material security.

Nam Son Tan Uyen Investment Services Joint Stock Company (BTS):
Manufactures industrial plastics and rigid food packaging in the southern region.

BPG Recycle Joint Stock Company:
Recycled plastics, plastic flakes, industrial plastic collection and recycled plastic processing.

Unless otherwise specified in a particular section of the report, all data and information disclosed in this document apply to both the Group and its related companies.



1.2.3. PUBLICATION DATE AND FORMAT

The report is published in October 2026 and made available online on the Group's official website: https://www.nhuabinhthuan.com.vn. Online publication makes the report easy for all stakeholders to access and is consistent with BPG's move towards digital communications and greater information transparency.

BPG has widened the reporting scope with each period and maintained a regular annual disclosure cycle, as part of its commitment to making its sustainability reporting more comprehensive and transparent over time. This gives stakeholders a reliable basis for monitoring and assessing the Group's progress towards its targets.

1.3. CONTACT INFORMATION

Binh Thuan Plastic Group Joint Stock Company is working to meet stakeholders' expectations for information transparency and sustainable growth, and we welcome your feedback. Please send any comments on sustainability matters to:

Contact person : **MS NGUYEN THI HONG NHUNG** – Project Director

Email : esg@nhuabinhthuan.com.vn

Phone : 18002228



1.4. INDEPENDENT ASSURANCE

Binh Thuan Plastic Group's 2025 Sustainability Report is based on information and data consolidated from the units, factories and functional departments within the reporting scope. Material information was reviewed and checked internally for consistency, completeness and relevance before publication.

For this reporting period, BPG has not obtained independent third-party assurance for the Sustainability Report as a whole. Where information and data fall within the scope of audits, assessments or professional certifications, the Group has used the results issued by the competent bodies as a reference and for verification when preparing the report.

In future reporting periods, BPG intends to improve its processes for collecting, controlling and managing ESG data, and to consider an appropriate form of independent assurance. The aim is to make the information disclosed more reliable, transparent and comparable, and to better meet stakeholders' expectations.



1.5. 2025 HIGHLIGHTS

In 2025, Binh Thuan Plastic Group (BPG) maintained its growth momentum by combining its production and business operations with its environmental, social and governance (ESG) objectives. The year's main results show the Group's scale of operations, production capacity and financial performance. They also show the resources BPG has committed to sustainability and the gradual expansion of its products and services in line with circular economy principles.



a CONTRIBUTION TO THE STATE BUDGET **VND 26.51 BILLION**

In 2025, BPG contributed VND 26.51 billion to the State budget, up 28.34% compared with 2024. These budget obligations arise from the Group's production and business activities and its compliance responsibilities, and they help fund socioeconomic development in the localities where BPG operates.

b TOTAL PRODUCTION OUTPUT **115.7 THOUSAND TONNES**

BPG's total production output in 2025 reached 115.7 thousand tonnes, up 18.71% on the previous year. The product portfolio remained focused on plastic pallets, the Group's strategic product line, together with ancillary plastic products for the industrial, agricultural and fisheries sectors. The year's output reflects the operational capability of the factory network, continued investment in technology and automation, and the ability to meet varied demand in domestic and international markets.

c REVENUE & PROFIT: VND 7,532 BILLION AND VND 72.95 BILLION

In 2025, BPG's revenue reached VND 7,532 billion and profit after tax reached VND 72.95 billion, up 7.3% and 66.45% year on year respectively. These results were supported by more efficient production and business operations, market development and the gradual expansion of the product portfolio in a sustainable direction. The Group's sound financial position allows it to keep investing in production capacity, technology and its development goals for the next phase.

d INVESTMENT IN SUSTAINABLE DEVELOPMENT (ESG): VND 192.5 BILLION

In 2025, BPG allocated VND 192.5 billion to activities and projects aligned with its sustainability (ESG) direction. The funds went to initiatives to improve resource efficiency and production performance, increase the use of renewable energy, and expand plastic recycling and waste management. Continued ESG investment helps integrate environmental, social and governance factors into the Group's operations and gives BPG a basis for refining its production model based on the circular economy and creating lasting value.

e REVENUE FROM SUSTAINABLE PRODUCTS: 27.83%

Revenue from sustainable products accounted for 27.83% of total revenue, an increase of 34.33 percentage points compared with 2024. This category includes products made from recycled plastic, pallet rental services and solutions aimed at reducing emissions. The rising share of revenue from these products and services shows that circular economy principles are being built into business operations and are starting to generate real economic value.

The key indicators for 2025 give operational evidence for the positioning of BPG – Industrial Sustainability Platform: profit growth of 66.45% alongside 27.83% of revenue from sustainable products and services. Financial performance and the share of sustainable revenue rose together, which indicates that the circular economy at BPG is more than a cost of meeting ESG requirements: it is becoming a source of value creation that contributes directly to the company's growth.

Building on these results, BPG will continue to use its resources more efficiently, develop sustainable products and services, and link its growth targets to its environmental, social and governance responsibilities as it creates value over the long term.

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2.1. 2025 HIGHLIGHTS

a. Strengthening the foundation, accelerating transformation and building a circular ecosystem

2025 was an important year of transition for Binh Thuan Plastic Group (BPG). Building on its capabilities in manufacturing, recycling and market development, BPG has been moving from making plastic products towards becoming a platform that provides circular industrial plastic solutions. The Group is connecting capabilities across the value chain, from manufacturing and recycling to services, to create integrated solutions that better meet customers' requirements for efficiency, quality and sustainability.

b. Growth linked to lasting value creation

In 2025, BPG continued to pursue growth based on operational efficiency and competitiveness over the long term. The Group focused on product groups and solutions for industrial customers, expanded its markets and made its production system more responsive. Alongside revenue growth, BPG worked on supply chain optimisation, productivity, cost control and product quality. This allows the Group to move gradually from supplying products to providing solutions, adding value for customers across the entire life cycle of plastic products.

c. Connecting manufacturing and recycling to drive the circular economy

The circular economy remains central to BPG's development strategy. The Group has linked its manufacturing capacity more closely with collection and recycling, moving towards a value chain that is closer to a closed loop for industrial plastic products. Returning recycled materials to production improves resource efficiency and supports the development of plastic solutions that help customers reduce their environmental impact. BPG aims to build a Closed Loop Supply Chain Ecosystem in which products keep their value for longer and resources are used more efficiently.



d. Expanding the solutions ecosystem and supporting customers in greening their supply chains

BPG believes that a company's value lies in its ability to address real needs in its customers' supply chains as well as in the products it makes. In 2025, the Group continued to develop service models and solutions that help businesses optimise the use, management and circulation of industrial plastic products. Linking manufacturing, recycling and services creates the basis for an open ecosystem through which BPG can help customers improve operational efficiency and gradually green their supply chains. This is how BPG intends to fulfil its role as a circular industrial plastic solutions platform.

e. Technology as a driver of efficiency and scalability

Technology remains fundamental to the transformation of BPG's business model. The Group is investing in production capacity, automation and digitalised management to improve productivity, quality and control across the value chain. Technology is also used to manage raw material flows, optimise recycling and improve service delivery. For BPG, technological innovation improves internal efficiency and is also a precondition for expanding the ecosystem, connecting its parts more effectively and meeting the growing demands of the regional market.

f. Sustainable development integrated into the growth strategy

Following the ESG project launched in 2024 and the publication of its first Sustainability Report, BPG went further in 2025 in integrating environmental, social and governance factors into its operations. Sustainability is managed through measurement, governance and continuous improvement in the material areas of production and business. BPG also pursued circular economy initiatives, used resources more efficiently and developed solutions that help customers reduce the environmental impact of their supply chains. Sustainability has thus become part of how the Group builds competitiveness and creates lasting value.

g. Standing alongside our people and communities

Alongside its growth objectives, BPG continues to regard people and communities as essential to a sustainable development ecosystem. The Group supports its employees, improves the working environment and runs social responsibility programmes for the community. These activities are practical and matched to what the company can contribute and what society needs. BPG believes that a sustainable ecosystem can only take shape when economic value is created together with social value and responsibility towards the community.

h. Recognised through prestigious achievements and awards

BPG's work in production and business, innovation, ecosystem development and its responsibilities to stakeholders continued to receive recognition in 2025. BPG was honoured to receive several important awards and titles that reflect the progress it has made in building its capabilities and creating value for the market.



- Certificate of Top 500 Fastest Growing Enterprises in Vietnam 2025.
- Certificate of High-Quality Vietnamese Goods 2025, as voted by consumers.
- Top 10 ASEAN Green Brand Award 2025 trophy.
- Top 10 ASEAN Green Brand Award 2025 certificate.
- Certificate recognising BPG plastic crates as a Hanoi Key Industrial Product 2025.

Each award recognises BPG's efforts to build production capacity, develop solutions and create a sustainable development ecosystem. They also encourage the Group to keep investing in its core capabilities, extend its partnerships and strengthen its position in the industrial plastics value chain.



With the foundations laid in 2025, BPG is entering a new phase of development with a clear direction: transforming from a plastics manufacturer into BPG – Industrial Sustainability Platform, a platform that connects manufacturing, recycling and services within an open ecosystem and helps customers green their supply chains.

To achieve this, BPG will continue to invest in technology, expand its recycling capacity, develop service models and broaden cooperation with customers, partners and stakeholders. We believe that by combining manufacturing capability with circular thinking and the ability to deliver solutions, BPG can create valuable products and also generate greater value for the entire supply chain.

On behalf of the Board of Directors, I would like to thank our customers, partners, investors, employees and other stakeholders for their trust and support throughout 2025. Your support encourages us to keep innovating, building our capabilities and holding to the choices we have made for growth over the long term.

BPG is committed to creating sustainable value through its business: efficiency for the company, value for customers and a more positive impact on the community and the environment.

Chairman of the Board of Directors

LE VAN QUANG

2.2. BUSINESS STRATEGY

2.2.1 VISION AND STRATEGIC DIRECTION TO 2030

The business strategy for 2025–2030 is designed to deliver the positioning of BPG – Industrial Sustainability Platform. Growth is no longer measured by output volume alone; technological mastery, closed product life cycles and an open ecosystem are the three decisive axes.

Under this direction, BPG is transforming from a plastics manufacturer into a platform connecting manufacturing, recycling and services, with a business model in which technology, circularity and ecosystem connectivity jointly create value. Rather than simply increasing production scale, BPG aims to improve the quality of its growth by mastering technology, extending and closing product life cycles, and working more closely with customers as they green their supply chains.

These three strategic axes guide how BPG chooses where to invest, which capabilities to develop, how it organises operations and how it expands into new markets in 2025–2030. They form the basis of a growth model in which technological capability, circular value and ecosystem strength drive the next stage of development.

2.2.2 CORE COMPETITIVE ADVANTAGES

After nearly two decades in business, the Group sees its competitiveness as resting on three internal pillars: mastery of mould technology, development of its own materials technology, and a unified vertical management system. The Group has built these capabilities steadily over time and intends to keep refining them.



a. Mastery of mould technology: the foundation for product consistency

The Group regards moulds as the decisive factor for quality and cost in industrial plastics manufacturing, and as an asset to be managed over its full life cycle rather than an initial investment only. It has therefore kept this capability within the Group through Vietnam Plastic Mould Joint Stock Company (VPM), the member company responsible for mould design, fabrication, maintenance and life cycle management.

Having its own mould capability benefits customers in two direct ways. First, products from any factory complex in the network meet the same technical standard, because all moulds are designed, fabricated and calibrated under one process. Second, the Group can customise moulds to a customer's requirements for dimensions, structure and performance within a short lead time. Managing the mould life cycle internally also allows the Group to monitor wear and plan maintenance and replacement in advance.



b. Control of materials technology: balancing cost and performance

The Group develops its own material compounding formulations, which allows it to adjust the mechanical and chemical properties of products to the actual operating conditions of each customer group. As a result, it can serve both the mainstream and high performance segments on the same production platform while keeping raw material costs reasonable through periods of price volatility. This capability also shortens the Group's response time when customers introduce new technical requirements.

c. A vertical management system integrating the BPG Genome

The Group operates a vertical management structure in which production, quality, procurement and finance are standardised from Group level down to each factory complex. The structure is built on the BPG Sustainable Development Genome, expressed in three principles for action: Integrity, Decisiveness and Readiness; Thorough preparation and rigorous management; and Decisions based on data. The Group applies these as everyday operating standards rather than communication slogans, so that every investment and management decision has a quantitative basis and accountability can be traced.

2.2.3 A CLOSED LOOP SUPPLY CHAIN ECOSYSTEM ACROSS THE PLASTIC PRODUCT LIFE CYCLE

The strategic focus in 2025 was to complete a sustainable development ecosystem that covers the entire product life cycle through five components: manufacturing, trading, rental, logistics and recycling. Under this model, the Group recovers products at the end of their use and returns them to production as regenerated raw materials, which reduces its dependence on virgin plastic and lowers emissions intensity per unit of product.

Rental and logistics services link these components and keep products circulating within the system instead of being discarded after a single use cycle. In this way, the Group turns circular economy principles into a business model that generates revenue and gives industrial customers a means of meeting their own supply chain greening goals. The Group sees this as a roadmap for the long term that will take time and require the support of stakeholders to complete.



2.2.4 REGIONAL MARKET DEVELOPMENT STRATEGY

By 2030, the Group aims to build a regional brand presence that extends beyond the domestic market. The roadmap has two parallel tracks: establishing a commercial presence in key markets, and forming joint ventures and partnerships with plastics companies in the region to extend production capacity, broaden distribution networks and share technology platforms.

The Group's international network currently covers two key regions. In the United States, BPG US is the focal point for market access and industrial customer development. In Southeast Asia, BPG Mars and BPG APEX are expanding production, distribution and logistics capacity in the region and give the Group a base from which to reach neighbouring ASEAN markets. The open ecosystem approach allows the Group to grow without building entirely new infrastructure in each market, sharing capabilities with local partners instead.

Building on its current capabilities, Binh Thuan Plastic Group sees 2025–2030 as the period in which it will move from being a manufacturer to providing circular industrial plastic solutions. This will require perseverance and continuous learning. We are committed to supporting our customers and stakeholders in greening their supply chains and to creating lasting value for the business community and for Vietnam's plastics industry.

2.3. COMMITMENTS / FUTURE DIRECTION

2.3.1 ACTIVITIES TOWARDS SUSTAINABLE DEVELOPMENT

The Group's sustainability strategy has three priority areas. The first is the Net Zero roadmap, on which the Group has reached a significant milestone with the construction and commissioning of the Hung Yen Factory Complex, a certified green building, showing that its Net Zero commitment is producing tangible results. Building on this, the Group is standardising its emissions and recycled material data against international reference frameworks, as a basis for monitoring and extending the Net Zero roadmap across the whole system. The second is an operations manual for the whole Group that integrates sustainability governance and sets out the principles, processes and tools for implementing ESG at every operational level. The third is stronger transparent governance and dialogue with stakeholders, with a focus on consumers, investors, regulators and local communities.

As sustainability requirements become increasingly mandatory across global value chains, BPG recognises that the ability to meet Environmental, Social and Governance (ESG) standards is an essential part of a company's competitiveness. This reflects compliance pressure, and also a broader shift towards assessing corporate performance on indicators of lasting performance rather than immediate profit alone.



2.3.2 PURSUING ISO CERTIFICATIONS TO ENHANCE MANAGEMENT SYSTEMS

Alongside the Net Zero roadmap, the Group intends to obtain certifications issued by the International Organization for Standardization (ISO) in stages, so that its management systems meet globally recognised requirements and practices. Adopting these international frameworks reflects BPG's commitment to a structured, systematic and verifiable governance foundation from which to sustain and extend the sustainability results it has achieved.



2.3.3 COMMITMENT TO DEVELOPMENT, GROWTH AND STAKEHOLDER ENGAGEMENT

The Group integrates sustainability objectives into its medium- and long-term planning and aligns its internal policies, performance evaluation methods and management mechanisms with ESG standards accordingly. Sustainable development is therefore embedded directly in the Group's governance and resource allocation decisions instead of existing as a separate initiative.

We see sustainable development as a natural requirement of modern corporate governance rather than a separate programme. These steps help to reduce risk and optimise resources, and they also prepare the Group for changes in policy, markets and societal expectations.



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3.1. OVERVIEW OF THE VIETNAMESE AND GLOBAL PLASTICS INDUSTRY; INDUSTRY DEVELOPMENT TRENDS

3.1.1 THE GLOBAL PICTURE

The plastics industry plays an important role in many sectors of the global economy, including packaging, construction, agriculture, healthcare, electronics and transportation. In recent years, however, the industry has come under pressure to transform as concern grows over plastic pollution, greenhouse gas emissions, dependence on fossil feedstocks and the need to manage products across their life cycle.

According to UNEP, the world produces more than 430 million tonnes of plastic each year, around two-thirds of which are products with a short life that quickly become waste. Global plastic waste in 2024 was estimated at around 400 million tonnes. According to the OECD, only about 9% of plastic waste is recycled, which points to a wide gap between the pace of production and consumption and the capacity for recovery and recycling.

In response, the global plastics industry is moving from a take–make–dispose model to a circular economy model. The emphasis is on reducing unnecessary plastic products, designing products for reuse and recycling, recovering more material and developing markets for secondary raw materials. UNEP considers that solutions based on reuse, recycle, and reorient and diversify could significantly reduce plastic pollution by 2040.





The plastics industry is also closely linked to climate change. The OECD estimates that the plastics life cycle generated around 1.8 billion tonnes of CO_2 equivalent in 2019, approximately 3.4% of global greenhouse gas emissions. Most plastic feedstocks are still derived from fossil fuels, so reducing the use of virgin material and increasing recycled content are among the industry's main transition pathways.

KEY TRENDS IN THE GLOBAL PLASTICS INDUSTRY:

01



Shift towards a circular economy

Companies are giving more attention to designing products that are easy to reuse, repair and recycle, expanding schemes to take back, reuse and recycle products after consumption, and using more recycled material.

02



Growing demands for resource efficiency and emissions reduction:

Saving energy, using renewable energy, reducing virgin material consumption and controlling emissions across the product life cycle are becoming important competitive factors.

03



Increasing regulatory requirements and market standards

Major markets, particularly the EU, are introducing stricter requirements on packaging, recyclability, recycled plastic content and waste management. The EU has adopted Regulation (EU) 2025/40 on packaging and packaging waste (PPWR), which entered into force on 11/02/2025 and becomes generally applicable from 12/08/2026.

04



Rising investment in recycling technology:

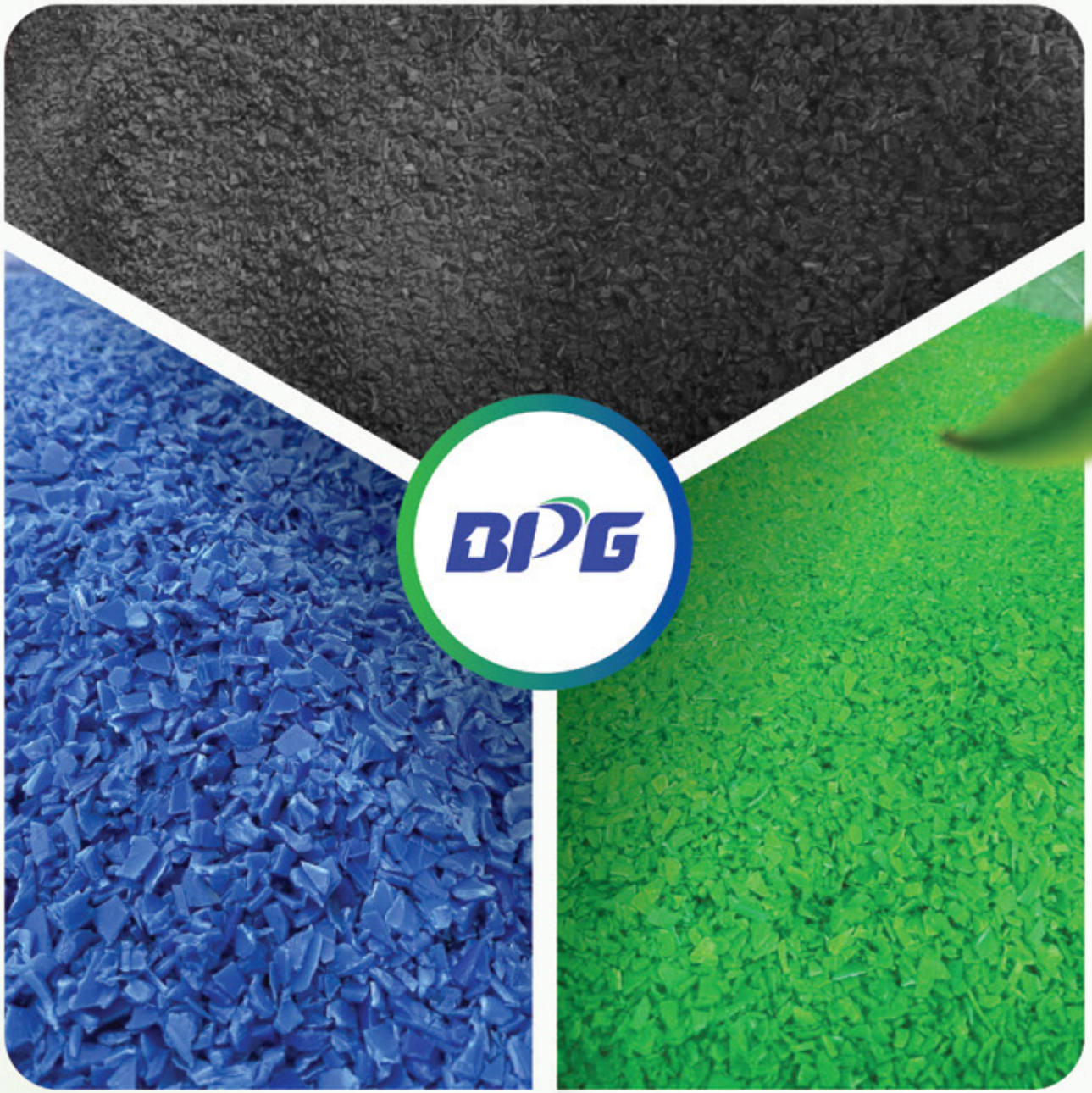
As demand for recycled materials grows, technologies for sorting, cleaning and mechanical recycling, as well as advanced recycling, will become more important for improving the quality and availability of secondary raw materials.

3.1.2 OVERVIEW OF VIETNAM'S PLASTICS INDUSTRY

Vietnam's plastics industry continues to grow and is deeply integrated into regional and global supply chains. According to information published by the Vietnam Plastics Association in 2025 and updated after the reporting period, the industry has more than 4,000 enterprises employing over 250,000 workers, around 90% of them small and medium enterprises (SMEs). Vietnamese plastic products are exported to more than 190 countries and territories, with the United States, Europe, Japan and ASEAN among the main markets.

The industry's total revenue in 2024 was around USD 31.5 billion. Revenue in 2025 was estimated at around USD 34–35 billion, growth of around 10% on the previous year. Export turnover reached around USD 10 billion, a further sign of Vietnam's growing role in the international plastic products supply chain..

Beyond growing in scale, Vietnam's plastics industry is moving towards higher product value and better quality, and is expanding into engineering plastics, industrial plastics and products for the electronics, automotive, food and beverage, and logistics sectors. Deeper participation in global supply chains also brings higher requirements for quality, traceability and environmental standards, and for meeting the ESG requirements of international customers.





a. Characteristics and challenges of Vietnam's plastics industry

Significant dependence on input materials: Vietnam still imports a large share of the plastic raw materials it uses in production. In the first seven months of 2025, Vietnam imported around 5.55 million tonnes of virgin plastic worth approximately USD 7.3 billion, up 18.8% in volume and 11.6% in value compared with the same period of 2024. The industry therefore depends heavily on external raw material sources and is exposed to volatility in international raw material markets.

Limited recycling capacity: Vietnam generates around 2.9 million tonnes of plastic waste each year, and the recycling rate is estimated at only around 27%. Collection, sorting and recycling systems remain fragmented, so a large volume of plastic material is not returned to the production cycle.

Fragmented industry structure: Most companies in the industry are SMEs, and some still face constraints in investment capital, technology, R&D capacity and access to green production solutions. This leaves a gap in productivity, energy efficiency and the ability to meet increasingly stringent market standards.

Pressure for green transition: The cost of investing in energy-efficient equipment, recycling technology, environmental treatment systems and recycled materials remains a challenge for many companies. Export markets are also shifting their requirements from environmental compliance at product level to management of the entire life cycle and value chain.



b. Policy and market pressures

In 2025, Vietnam's plastics industry continued to adapt to the policy framework on the circular economy, Extended Producer Responsibility (EPR) and plastic waste reduction.

Extended Producer Responsibility (EPR): The EPR legal framework was further refined in 2025. Decree No. 05/2025/NĐ-CP, amending and supplementing a number of provisions of Decree No. 08/2022/NĐ-CP, took effect on 06/01/2025, and implementation of the regulations and guidance on the EPR system continued.

Roadmap for restricting single-use plastics and non-biodegradable plastic packaging: Under current regulations, from 01/01/2026 the production and import of certain non-biodegradable plastic bags smaller than 50 cm × 50 cm with a single-layer film thickness of less than 50 µm will be restricted, except in specified cases. The roadmap for restricting single-use plastic products and non-biodegradable plastic packaging will continue in the following years.

Requirements from export markets: Major markets continue to raise their requirements on recyclability, recycled content, recoverability and packaging management. The EU's PPWR was adopted in 2025 and applies from August 2026, giving Vietnamese plastics companies a further reason to prepare early on product design, material data and their ability to meet circularity criteria.

c. Industry development trends and opportunities for BPG

As the plastics industry moves towards resource efficiency and the circular economy, companies that can control their raw material sources, use more recycled material, extend product life cycles and offer alternatives to single-use models will have an increasingly clear competitive advantage.

For BPG, this creates opportunities to develop more plastic pallet lines an industrial products made from recycled materials, to expand the model for taking back, repairing, reusing and recycling products, and to develop pallet rental and life cycle management solutions. These directions fit the circular economy trend and create value for customers through lower costs, longer product life and reduced use of virgin materials.

Investment in production technology, energy efficiency, renewable energy and ESG data management will also help BPG meet the increasingly demanding requirements of domestic and international markets.



3.1.3 PLASTICS INDUSTRY DEVELOPMENT TRENDS

3.1.3.1 Global Plastics Industry Trends

The global plastics industry remains important to many areas of production and consumption. As demand grows, however, the industry faces mounting pressure over plastic pollution, greenhouse gas emissions, resource use and waste management. According to European Bioplastics, the world produces around 431 million tonnes of plastic per year, while according to the OECD only around 9% of plastic waste is recycled. These factors are pushing the industry to move from a take–make–dispose model towards a circular economy model with more efficient resource use (European Bioplastics, 2025; OECD, 2022).

The industry's main trends for 2025 and the years ahead include:



a. Circular economy and recycling

The circular economy remains one of the main priorities of the global plastics industry. Companies are working to reduce their use of virgin materials and to recover, reuse and recycle more products at the end of their use. Alongside mechanical recycling, advanced recycling technologies are being researched and funded to improve the processing of plastic streams that are hard to recycle.



The trend is also encouraging product design for reuse, repair and recycling, which extends the life of materials and reduces the volume of waste that needs treatment. The OECD considers that greater material circularity could make a significant contribution to reducing emissions and the environmental impact of the plastics life cycle (OECD, 2022).

b. Development of bioplastics and bio-based materials

Bioplastics continue to expand as a way to reduce dependence on fossil feedstocks and to meet growing demand for materials with a lower environmental impact. According to European Bioplastics, global bio-based plastic production capacity is forecast to rise from around 2.31 million tonnes in 2025 to 4.69 million tonnes by 2030, more than doubling over the period. Bioplastics still account for only around 0.5% of global plastic production, however, so the segment is still expanding (European Bioplastics, 2025).

Besides bio-based materials, the industry is also looking at ways to reduce the amount of material used, partially replace conventional feedstocks and make products easier to recycle.

c. Growing regulatory requirements and product life cycle responsibility

Major markets are extending their requirements on waste management, recyclability and producer responsibility. In the European Union, the Packaging and Packaging Waste Regulation (PPWR) was adopted in 2025 and applies from 12/08/2026. The PPWR sets requirements for recyclability, reuse and recycled content for packaging within its scope (European Union, 2025).

Environmental requirements are therefore shifting from controlling waste at end of life to managing the whole product life cycle, from design and material selection through manufacturing and use to treatment after use.

d. Improving energy efficiency and reducing emissions

Pressure to reduce emissions in the plastics industry is growing because the plastics life cycle is a significant source of emissions. According to the OECD, the plastics life cycle generated around 1.8 billion tonnes of CO_2 equivalent in 2019, about 3.4% of total global greenhouse gas emissions, and around 90% of these emissions came from producing and converting plastics from fossil feedstocks (OECD, 2022).

Companies in the industry are therefore paying more attention to equipment efficiency, process optimisation, lower raw material and energy consumption, and the use of energy sources with lower emissions.



e. Greater automation and technology adoption

Digital transformation, automation and data analytics are increasingly used in the plastics industry to raise productivity, control quality and optimise operations. Monitoring of production parameters, automated quality inspection, predictive maintenance and data analytics can help companies reduce errors, cut material losses and use energy more efficiently.

Digital technology also improves the traceability of data on materials, products and environmental indicators, which helps companies meet rising expectations for ESG transparency.

f. Growing ESG requirements across the value chain

Companies in international supply chains are increasingly required to provide information on raw material sources, emissions, energy use, recyclability and the environmental and social aspects of their products.

The ability to collect and manage ESG data, control raw material sources and demonstrate environmental performance is therefore becoming an important part of competitiveness for plastics companies.



g. Continued international cooperation on plastic pollution

Efforts to develop a legally binding international instrument on plastic pollution continued in 2025. However, the INC-5.2 negotiating session in Geneva in August 2025 ended without consensus on a final text, and countries agreed to continue negotiations (UNEP, 2025).

Plastic pollution will therefore remain on the international agenda and may lead to new requirements for companies across the plastics value chain.

3.1.3.2 THE DIRECTION OF VIETNAM'S PLASTICS INDUSTRY

Vietnam's plastics industry is moving towards higher added value, greater autonomy in raw materials and green, circular development. With more than 4,000 enterprises, it has become an important industry for Vietnam and is taking a growing part in regional and international supply chains (Vietnam Plastics Association, 2025).

a. Stepping up recycling and developing the circular economy

Extended Producer Responsibility (EPR) remains a major driver of recovery and recycling in Vietnam. In 2025, the Government issued Decree No. 05/2025/NĐ-CP dated 06/01/2025 amending and supplementing a number of articles of Government Decree No. 08/2022/NĐ-CP dated 10/01/2022 detailing a number of articles of the Law on Environmental Protection. The decree further refined the legal framework on the recycling and waste treatment responsibilities of producers and importers (Government of Vietnam, 2025).

These requirements are leading companies to pay more attention to product recoverability, the use of recycled materials and production models suited to the circular economy.



b. Increasing the use of recycled materials and enhancing raw material autonomy

Vietnam's plastics industry still depends heavily on imported raw materials. Developing domestic sources of recycled material, improving the quality of recycled resin and upgrading collection and sorting systems are therefore seen as important ways to reduce this dependence.

The Vietnam Plastics Association has also identified greater autonomy in raw materials as one of the industry's priorities as it enters a new stage of development (Vietnam Plastics Association, 2025).

c. Technological innovation and improved production efficiency

Vietnamese plastics companies increasingly need to upgrade machinery, automate and improve energy efficiency. Technological innovation is aimed at raising productivity and product quality as well as reducing raw material and electricity consumption and scrap rates.

This matters particularly for SMEs, which make up a large share of the industry, as they try to meet the rising requirements of domestic and international customers.

d. Shifting towards products with higher added value

Beyond traditional product lines, Vietnam's plastics industry is expanding into segments with higher technical requirements and added value, such as engineering plastics, industrial plastics, and products for the electronics, automotive, construction, food and logistics sectors.

This shift is consistent with efforts to strengthen domestic production capacity, attract foreign investment and take a deeper part in the supply chains of supporting industries.

e. Rising environmental standards in export markets

Vietnamese companies in international supply chains are increasingly required to meet requirements on recyclability, recycled content, emissions control and environmental disclosure. The European Union's PPWR, applicable from 12/08/2026, gives companies a further reason to prepare on product design, material data and their ability to meet circularity criteria (European Union, 2025).



f. Implementing the roadmap to restrict single-use plastic products

Vietnam is continuing its roadmap to restrict the production, import and use of certain single-use plastic products and non-biodegradable plastic packaging. Under Decree No. 08/2022/NĐ-CP, from 01/01/2026 non-biodegradable plastic bags smaller than 50 cm × 50 cm with a single-layer film thickness of less than 50 µm may no longer be produced or imported, except in specified cases (Government of Vietnam, 2022).

The roadmap encourages companies to research suitable material solutions, make products more reusable and rely less on products with a short life.

g. Developing ESG governance and data capabilities

- Alongside green production requirements, Vietnamese plastics companies need stronger capabilities for managing environmental, social and governance data. Tracking indicators on materials, energy, emissions, waste and product life cycles will give companies an important basis for assessing their green transition and meeting the requirements of customers, investors and export markets.



In the coming period, Vietnam's plastics industry will focus on greater material circularity, more efficient resource use, technological innovation, greater autonomy in raw materials and closer alignment with the environmental standards of domestic and international markets.



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3.2. ABOUT BINH THUAN PLASTIC GROUP JOINT STOCK COMPANY

3.2.1 BINH THUAN PLASTIC GROUP JOINT STOCK COMPANY

a. General information

Vietnamese name	Công ty Cổ phần Tập đoàn Nhựa Bình Thuận
English name	Binh Thuan Plastic Group Joint Stock Company
Northern Head Office	121–123 Lam Ha, Bo De Ward, Hanoi
Southern Office	122–124 Vu Tong Phan, An Khanh Ward, Ho Chi Minh City
US Office	8835 Production Ave, San Diego, CA 92121, USA
Hotline	1800 2228
Website	nhuabinhthuan.com.vn



b. History:
Key milestones of
Binh Thuan Plastic Group

2008
- Establishment of Binh Thuan Plastic Mechanical Joint Stock Company

2018
- Establishment of Vietnam Plastic Mould Joint Stock Company, with factories in Hai Duong and Binh Duong

2019
- Establishment of Binh Thuan Development Co., Ltd. (BTD), factory in Ha Nam

2020
- Establishment of Binh Thuan Plastic Manufacturing Co., Ltd. (BTP), factory in Hanoi

2021
- Binh Thuan Plastic Mechanical Joint Stock Company officially renamed Binh Thuan Plastic Group Joint Stock Company (BPG), Hanoi

2022
- Inauguration of Dong Hai Plastic Factory of Dong Hai Plastic Co., Ltd. (DHP) in Hai Duong
- Inauguration of Nam Son Tan Uyen Plastic Factory of Nam Son Tan Uyen Investment Services Joint Stock Company (BTS) in Binh Duong

2023
- Establishment of BPG Retail Joint Stock Company
- Establishment of BPG Trading
- Inauguration of Binh Thuan Long An Plastic Factory, Khoi Viet Plastic Co., Ltd. (BTL), in Long An

2024
- Establishment of BPG Invest Joint Stock Company
- Dong Hai Plastic Co., Ltd. (DHP) renamed BPG Shinnihon Joint Stock Company (BSC), factory in Hai Duong
- Establishment of a joint venture with Korea: BPG LogisAll (BLC), the predecessor of BPG Retail
- Binh Thuan Development Co., Ltd. (BTD) renamed Binh Thuan High Quality Plastic Joint Stock Company (BQP)
- Establishment of BPG Recycle Joint Stock Company

2025
- Restructuring of the BLC joint venture model, renamed BPG Retail Joint Stock Company
- Launch of the Packaging Manufacturing Project
- Partnership with Mars Thailand to form the BMG joint venture
- BQP officially listed on UPCoM
- Issuance of green bonds in line with international standards
- Groundbreaking of the Hung Yen Factory Complex
- Signing of an MOU with LSP on building a circular economy model.

3.2.2 SUBSIDIARIES AND ASSOCIATES:

BINH THUAN PLASTIC GROUP JOINT STOCK COMPANY (BPG):

As the Group Headquarters, BPG develops and manages the strategy of the Group and its related companies. It also manages operations, finance, budgets and costs along vertical lines, as well as brand, customer and market management.

Related companies: BPG has a number of related companies, each assigned specific functions to ensure an efficient production chain that operates as a closed loop:

BINH THUAN PLASTIC MANUFACTURING CO., LTD. (BTP):
Manufactures plastic products for the agricultural and fisheries sectors, as well as specialised ancillary products.

BINH THUAN HIGH QUALITY PLASTIC JOINT STOCK COMPANY (BQP):
Manufactures industrial plastic goods and OEM plastic components of high quality for domestic customers, FDI customers and certain orders within the ecosystem.

BPG SHINNIHON JOINT STOCK COMPANY (BSC):
Produces recycled raw materials and industrial products, contributing to sustainable development and environmental protection.

VIETNAM PLASTIC MOULD JOINT STOCK COMPANY (VPM):
Specialises in manufacturing industrial moulds for internal use, providing mould maintenance services and developing precision moulds.

BPG RETAIL JOINT STOCK COMPANY:
Operates in domestic and international logistics, implementing the Group's plastic pallet rental strategy and sustainable supply chain support solutions.

BPG TRADING JOINT STOCK COMPANY (BPG TRADING):
Trades plastic resin, secures the supply of virgin materials and manages the recycled raw material supply chain, playing an important role in maintaining a sustainable supply.

BPG INVEST JOINT STOCK COMPANY (BPG INVEST):
Responsible for investment, market development, and mergers and acquisitions (M&A).

NAM SON TAN UYEN INVESTMENT SERVICES JOINT STOCK COMPANY (BTS):
Manufactures industrial plastic products and rigid food packaging in the region, helping to expand production capacity, providing efficient manufacturing solutions and serving customers in the region.

KHOI VIET PLASTIC CO., LTD. (BTL):
Manufactures industrial plastics and supporting industry products in the southern region, helping to expand production capacity and reach regional customers, and contributing to the industrial value chain.

BPG RECYCLE JOINT STOCK COMPANY:
Specialises in recycled plastics, plastic flakes, industrial plastic collection and recycled plastic processing

3.2.3 CORPORATE STATEMENTS

VISION

BPG aims to become Vietnam's leading plastics group in plastic pallets and ancillary plastic products for the industrial, agricultural and fisheries sectors

As it greens and digitalises its value chain, BPG continues to innovate its technology, expand its range of environmentally friendly products and strengthen its international competitiveness. In 2025, BPG's vision was translated into strategic targets for sustainable products, optimised production processes and global market expansion, contributing to a circular economy and sustainable development for Vietnam.

MISSION

To regenerate plastic raw materials sustainably, creating products of high quality at competitive prices that meet international environmental standards and contribute to the nation's development.

This is central to BPG's operational strategy for promoting the circular economy. It guides the optimisation of production processes and product development, with the aim of building a sustainable growth model that reduces negative impacts on the environment.

CORE VALUES

These values guide all of BPG's development activities. They mean being transparent and consistent in its commitments; continually renewing its thinking and technology to create environmentally friendly plastic solutions; putting the long-term interests of society and the environment first; and optimising processes and resources to create sustainable value. BPG also builds a culture of close collaboration, both internally and with external partners, to create a green growth ecosystem in which the economy, society and the environment develop in balance.

Guided by its vision, mission and core values, Binh Thuan Plastic Group aims for a leading position and is building its reputation in international markets as an innovative, sustainable and responsible plastics company.

INTEGRITY - CREATIVITY - RESPONSIBILITY - EFFECTIVENESS - CONNECTION



3.2.4 CORPORATE CULTURE: THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT

At BPG, corporate culture reflects the leadership's vision and management philosophy and is the "lifeblood" that connects all development activities with the company's core values. It provides the basis for a good working environment, strengthens internal cohesion and guides the Group's sustainable development strategy.

Creativity and innovation are encouraged in every role, from production and management to customer service. This helps BPG keep its competitive edge and continually improve its environmentally friendly products to meet increasingly demanding market requirements. Each year, Technology Tradition Day (21 April) gives all employees an occasion to review technological achievements and share ideas for innovation, encouraging breakthrough solutions that support the company's green development. In addition, 16 September each year is BPG's Occupational Safety and Fire Safety Tradition Day. On this day, all BPGers are encouraged to be more proactive in identifying risks, assessing hazards and preventing incidents, under the message "Prepare for the unthinkable" and the principle "Safety first, growth second". BPG continues to launch safety initiatives across all its factories to build a safe, proactive and sustainable working environment.

Solidarity and collaboration run through BPG's culture. Every individual is encouraged to speak up and work with others towards shared results, and the same approach extends to external partnerships aimed at building a sustainable growth ecosystem.

Quality and reputation are a constant commitment across all of BPG's products and services. Dedication and professionalism are what allow BPG to keep expanding its markets and strengthening customer trust.

People development is at the heart of the Group's long-term strategy. BPG continually invests in training and in the professional expertise and skills of its workforce, so that employees can develop fully and grow with the company.



3.2.5 SUSTAINABLE DEVELOPMENT DIRECTION

As it enters a new phase of development, Binh Thuan Plastic Group remains committed to sustainable growth, guided by its management philosophy: "Carve goals in stone, draw strategies on wood, write plans in sand". The philosophy combines flexibility in operations with a steady commitment to its vision for the long term, and provides the basis for BPG's comprehensive development strategy for 2025–2030.

BPG's development focuses on four main pillars:

a. Governance strategy: Transparency, Proactiveness and Standardisation

BPG continues to delegate more authority to its functional divisions, factories and executive management. The internal control system will be standardised in line with international standards to support further growth and to ensure transparent and efficient operations.

b. Product strategy: Sustainable development and green technology

In 2025–2030, the Group will accelerate investment in green production technology and recycled materials and integrate quality management systems with ESG standards, so that its products deliver high quality and are environmentally friendly.

c. Financial strategy: Efficiency, Flexibility and Sustainability

Cash flow and budgets are managed proactively and flexibly to match the pace of growth and expansion. The Group will adopt modern financial management tools and strengthen the role of the Audit Committee and the Operations Committee in financial oversight and transparency. BPG also aims to diversify its funding sources to safeguard its financial security and its ability to respond to market volatility.

d. Brand strategy: A unified and distinctive BPG Ecosystem

BPG aims to become a symbol of quality and sustainability in Vietnam's plastics industry. A unified brand identity, consistent messaging and a continually improving customer experience will help BPG strengthen its position and extend its reach in domestic and international markets.

With a clear strategic direction that combines business objectives, environmental responsibility and commitment to the community, BPG is pursuing a path of sustainable development. Its goal is to lead the plastics manufacturing industry and to become a symbol of building a green production ecosystem in which economic efficiency, social value and sustainability develop together.



CHAPTER IV

OVERVIEW OF SUSTAINABLE DEVELOPMENT AT BINH THUAN PLASTIC: PRESENT AND FUTURE

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4.1. SUSTAINABLE DEVELOPMENT STRATEGY AT BINH THUAN PLASTIC: PRESENT AND FUTURE

4.1.1 THE GROUP'S SUSTAINABLE DEVELOPMENT STRATEGY FOR 2025–2030

In 2025, Binh Thuan Plastic Group Joint Stock Company (BPG) officially put its Closed Loop Supply Chain Ecosystem model into operation. The Group sees this as a move from individual sustainability initiatives to an integrated model in which sustainable development is part of how the Group generates revenue, not an activity running in parallel. The entire 2025–2030 strategy is closely aligned with the 2030 vision set by the Board of Directors.



a. Vision to 2030

By 2030, Binh Thuan Plastic will be the leading circular industrial plastic solutions platform in Southeast Asia, connecting manufacturing, recycling and services within an open ecosystem and supporting businesses in greening their supply chains.

BPG – Industrial Sustainability Platform operates as an open ecosystem in which customers, suppliers and technology partners all take part in the material loop. Value comes from the Group's internal capabilities and also from its ability to connect and coordinate the different players in the value chain.

The 2030 vision rests on a lasting commitment to development: through continuous investment and partnership with stakeholders, BPG will implement its Net Zero roadmap step by step and help advance the circular economy in Vietnam.

b. Core directions of the Closed Loop Supply Chain Ecosystem

The Group is implementing its 2025–2030 strategy along three core directions, which correspond to the three stages that determine how closed the product life cycle is.

Developing an advanced mould design centre: upgrading Vietnam Plastic Mould Joint Stock Company (VPM) into a regional Research and Development (R&D) centre that designs products to customers' specific needs and supports the switch from wooden pallets to recycled plastic pallets.

Recycling to international Environmental, Social and Governance (ESG) standards: expanding the operations of BPG Recycle Joint Stock Company to secure raw materials, reduce dependence on external supply, control production costs and shorten the Net Zero roadmap.

Completing the Supply Chain Package service: integrating the entire design, manufacturing, distribution, consumption, collection and recycling process to help customers optimise costs and improve operational efficiency.

c. Strategic targets for 2025–2030

- Complete the Net Zero roadmap and accelerate the reduction of greenhouse gas emissions.
- Increase the proportion of recycled materials in the production input mix.
- Expand the use of renewable energy across the entire factory network.
- Develop international markets with environmentally friendly product lines.
- Create quality jobs and develop a green value chain.







d. Implementation measures

In production and technology, the Group is focusing on the following measures:

- Investing in advanced recycling technology and modern production equipment.
- Deploying automated production management systems to optimise processes.
- Developing production technologies that save energy and lower emissions.
- Improving processes to increase efficiency and minimise waste.
- Building the Group's own system for collecting and recycling materials.
- In market development, the Group is pursuing the following directions in parallel:
- Optimising the product portfolio, prioritising recycled products with high added value.
- Expanding exports to markets with high sustainability requirements.
- Stepping up research and development of new products based on circular economy criteria.
- Strengthening strategic cooperation with suppliers and international partners.
- Developing a green brand and raising customer awareness of sustainability.

e. Legal foundation and financial resources of the strategy

The Group's sustainability strategy is shaped by specific legal obligations and financial resources as well as by internal direction.

Extended Producer Responsibility (EPR): under the Law on Environmental Protection No. 72/2020/QH14 dated 17/11/2020 issued by the National Assembly and the Government's Decree No. 08/2022/NĐ-CP dated 10/01/2022 detailing a number of articles of the Law on Environmental Protection, producers are responsible for recycling the products and packaging they place on the market. By organising its own recycling through BPG Recycle Joint Stock Company, the Group both complies with this obligation and turns it into a competitive advantage.

Green bonds: The Group has raised capital by issuing green bonds in accordance with the Green Bond Principles of the International Capital Market Association (ICMA), guaranteed by GuarantCo. Under this arrangement, the Group must report periodically on the use of proceeds and the environmental impact of the financed project.

Green building: The Hung Yen Factory Complex has been built to the EDGE Advanced standard, which sets the technical benchmark for energy efficiency and water and material savings in the Group's future investment projects.

4.1.2 SUSTAINABILITY GOVERNANCE STRUCTURE

The Group recognises that its sustainability strategy can only be implemented consistently if a dedicated unit is responsible for it and has the authority to coordinate across all member companies.

The BPG Value Development Division is the unit responsible for the Group's sustainability work and reports directly to the Chief Executive Officer. It develops and updates the sustainability strategy, identifies material topics, consolidates environmental, social and governance data from the factory complexes and member companies, tracks progress towards targets and leads the preparation of the annual Sustainability Report.

The BPG Value Development Division reports progress on the sustainability targets to the Chief Executive Officer and submits matters within the Board of Directors' remit for review and approval, including the list of material topics, the emissions reduction roadmap and the content of the annual report. This links sustainability commitments to specific management accountability instead of leaving them as general aspirations.



4.1.3 ALIGNMENT OF THE GROUP'S ACTIVITIES WITH THE 17 SUSTAINABLE DEVELOPMENT GOALS

The Group has reviewed all activities within its Closed Loop Supply Chain Ecosystem model and mapped them against the United Nations' 17 Sustainable Development Goals (SDGs). The model contributes to 15 of the goals, three of which are most clearly affected by the new business model.

a. Goals with transformational impact

- SDG 12 (Responsible Consumption and Production): The Group is building a circular economy model for the plastics industry in which the Supply Chain Package covers the entire product life cycle, from sustainable design to recovery and recycling. The model also gives the Group and its customers a means of meeting their EPR obligations under the law.
- SDG 9 (Industry, Innovation and Infrastructure): The Group applies Artificial Intelligence (AI) and the Internet of Things (IoT) across its value chain. The Hung Yen Factory Complex has achieved EDGE Advanced green building certification, raising the standard of industrial infrastructure in Vietnam.
- SDG 13 (Climate Action): The Net Zero commitment is set out in a phased emissions reduction roadmap, financed by green bonds and supported by the technical standards of the EDGE Advanced building. Advanced recycling technology significantly reduces emissions intensity compared with production from virgin materials.

b. Goals with strong impact

- SDG 8 (Decent Work and Economic Growth): The Group provides a healthy, fair and safe working environment, and the expansion of its factory network creates additional jobs for local workers.
- SDG 6 (Clean Water and Sanitation): The Group harvests rainwater for the plastic pellet washing process, uses water efficiently and invests in wastewater treatment systems.
- SDG 7 (Affordable and Clean Energy): expanding rooftop solar power systems at its factories and reducing dependence on fossil energy.
- SDG 14 (Life Below Water): reducing the amount of plastic waste leaking into the environment and promoting recycling initiatives.
- SDG 15 (Life on Land): increasing the share of recycled materials and supporting the transition from wooden pallets to recycled plastic pallets, helping to protect forest resources.

c. Goals being reinforced

- The Group continues to support the remaining goals by expanding its Charity Fund, upgrading its human resources policies and strengthening international cooperation. Its contribution to the partnership goal is reflected in the network of strategic partners it is building within the sustainable ecosystem.



4.1.4 THE GROUP'S MATERIAL TOPICS AND STAKEHOLDERS

Based on stakeholder consultation, the Group has identified material topics aligned with its Closed Loop Supply Chain Ecosystem model, classified into three levels of impact.

a. Material topics at strategic level

- Circular economy and recycling: making this a pillar of the business model, integrated from product design through to recovery at end of life, with the aim of increasing the recycling rate across the ecosystem and leading the industry in recycling.
- Sustainable supply chain management: optimising the Supply Chain Package service and expanding the network of partners within the sustainable ecosystem.



b. Material topics at operational level

- Energy efficiency and Net Zero: implementing a phased emissions reduction roadmap, applying technologies that save energy and transitioning to renewable energy sources.
- Professional workforce development: building a team of experts in the circular economy, green technology and sustainability management, and working with educational institutions on specialised programmes.
- Product quality and safety: increasing the share of products with international safety and sustainability certifications and introducing a traceability system for products within the ecosystem.

c. Material topics at community level

- Social responsibility and community development: expanding the Charity Fund, increasing support for disadvantaged children, especially those with cleft lip and palate, and carrying out community projects in the localities where the Group has factories.
- ESG governance and transparency: improving environmental, social and governance indicators, publishing sustainability reports on a regular basis and participating in international sustainability initiatives.

4.1.5 APPROACH TO DETERMINING MATERIAL TOPICS

The Group determines its material topics using the four steps set out in GRI 3: Material Topics (2021), with reference to the Sustainability Accounting Standards Board (SASB) metrics for the Containers & Packaging industry.



STEP 1

Understand the Group's context: The Group reviews all its activities and business relationships along the value chain, from research and development, manufacturing and distribution to collection and recycling, and identifies the stakeholder groups affected at each stage. At this step, data analytics tools help scan sustainability trends in the plastics industry; they support, but do not replace, the assessment made by the dedicated team.

STEP 2

Identify actual and potential impacts: Based on this context, the Group lists its impacts on the economy, the environment and people, distinguishing actual from potential impacts and positive from negative ones. The list is checked against the disclosure requirements of the GRI Standards 2021 and the SASB metrics so that no topic specific to the industry is missed.

STEP 3

Assess the significance of impacts: Each impact is assessed for severity and likelihood against four criteria: its effect on the operational efficiency of the ecosystem, the level of stakeholder interest, its contribution to the Sustainable Development Goals, and its potential to create value over the long term. The results are validated in consultation sessions with strategic customers, suppliers, community representatives, employees at various levels, independent experts and representatives of regulatory authorities.

STEP 4

Prioritise and approve: The impacts are ranked to produce the list of material topics disclosed in the report. The BPG Value Development Division submits the results to the Chief Executive Officer and the Board of Directors for review and approval. The approved topics are then disclosed publicly together with the targets and Key Performance Indicators (KPIs) for each.

4.1.6 ENGAGEMENT WITH KEY STAKEHOLDERS

The Group uses multiple communication channels, tailored to the information needs of each stakeholder group in the Closed Loop Supply Chain Ecosystem.

a. Employees

The Group runs training programmes and thematic workshops on the ecosystem, new technologies and the circular economy. It builds a corporate culture focused on sustainability through internal activities, links welfare policies to sustainability performance and encourages improvement initiatives at its factories.

b. Government regulators

The Group reports periodically on its recycling activities and its contribution to national sustainable development goals, gives input to policies that promote the circular economy and ensures full compliance with current laws and regulations.



c. Banks and investors

The Group provides transparent information on its ESG indicators and sustainability roadmap. For the green bonds issued under the ICMA Green Bond Principles and guaranteed by GuarantCo, the Group reports periodically to investors and the guarantor on the allocation of proceeds and the environmental impact of the financed project. This regular dialogue also helps the Group gain access to other sustainable finance instruments.

d. Suppliers

The Group applies sustainability standards when assessing and selecting partners, and helps suppliers join the recycling value chain and move to environmentally friendly production models.

e. Customers

The Group surveys customers more often to understand their needs for sustainable products, provides detailed information on product sustainability as part of its customer care, and helps customers apply circular economy principles in their own operations.

f. Communities

The Group takes part in community development and environmental protection activities in the areas where it operates, creates jobs through its production and investment, and maintains a channel for community feedback with a mechanism for timely response.

4.1.7 PRIORITIES FOR MATERIAL TOPICS IN 2025

a. Circular economy and advanced recycling

The Group is improving its recycling technology so that it can process a wider range of plastics, including types that are hard to recycle. It is also building a smart collection system and developing traceability technology for products within the ecosystem.

b. Industry 4.0 technology and green innovation

The Group uses artificial intelligence to support product design and material optimisation, and runs technology initiatives at its factories to improve energy efficiency and reduce emissions

c. A globally integrated supply chain

The Group is extending its Supply Chain Package service to international markets through its partner network, developing green logistics with environmentally friendly vehicles and using demand forecasting systems to reduce inventory and transport costs.

d. Net Zero and renewable energy

The Group is installing solar power systems at its factories and introducing technologies to capture and treat water, including rainwater and water generated during production.



4.1.8 RISK MANAGEMENT

The Group groups its risks under the three ESG pillars and has developed response measures for each group.

a. Business and financial risks

▸ Business model transformation risk: The Group pilots the Closed Loop Supply Chain Ecosystem model at selected factories before scaling it up. It has set up a risk reserve fund and prepared several business scenarios with flexible transition plans that respond to market conditions.

▸ Technology investment risk: The Group balances its investment between proven, emerging and breakthrough technologies. It works with universities and research institutes to reduce R&D risk and follows a technology roadmap for the long term with periodic review points..

▸ Carbon market and ESG regulatory risk: The Group participates in the voluntary carbon market and is preparing for the compliance carbon market. It works with international ESG consultants and regularly monitors and updates its compliance matrix against global regulations.

▸ Green financing risk: The Group diversifies its funding sources across equity, bank loans and trade credit, manages cash flow more closely and explores preferential credit products for sustainable projects to reduce its cost of capital.

b. Social and human risks

▸ Risk of a shortage of specialised personnel: The Group works with universities on training programmes for circular economy and green technology specialists, runs an internal training system with mentoring, and offers competitive pay for highly specialised positions.

▸ Occupational safety risk in a high-tech environment: The Group is upgrading its occupational safety management system to international standards, introducing health and safety monitoring technology for employees and using robots in operations with high risk.

▸ Community acceptance risk: The Group runs community communication and education programmes on the benefits of the circular economy, creates livelihood opportunities through recycling and maintains a feedback channel with a mechanism for timely response.

c. Strategic governance risks

▸ Given a volatile global economy and growing sustainability pressure on the plastics industry, the Group has put in place a coordinated set of strategic risk management measures to keep its operations stable and continuous.

▸ Developing the Closed Loop Supply Chain Ecosystem model: a nationwide factory network and a product portfolio that spans agricultural and industrial ancillary products, moulds and recycling spread concentration risk and create several revenue streams.

▸ Strengthening technology and recycling capabilities in line with ESG standards: owning a factory dedicated to mould design and manufacturing lets the Group respond quickly to market changes, and recycling through BPG Recycle Joint Stock Company reduces input material risk as environmental regulations tighten.

▸ Developing an integrated distribution and service system: partnerships with logistics providers and a product model that combines rental and sales provide a flexible distribution system, while the Supply Chain Package service builds lasting customer relationships and reduces sales risk.

▸ Strengthening corporate governance and legal compliance: the Board of Directors has set up a rigorous risk management process to identify risks early and respond in good time, and to ensure strict compliance with the law and international standards.

4.2. SUSTAINABLE DEVELOPMENT PROGRESS: PRESENT AND FUTURE

4.2.1 2025 DEVELOPMENT STRATEGY LINKED TO SUSTAINABILITY GOALS

In 2025 the Group took an important step on its sustainability journey by officially rolling out the Closed Loop Supply Chain Ecosystem model. Its development strategy goes beyond economic growth targets and builds sustainability goals into the structure of the business.



a. The circular economy as a pillar of development

The Group treats the circular economy as a core pillar of its business model rather than a supporting activity. Integrating the whole process, from product design to recovery at end of life, creates a value chain that operates as a closed loop in which BPG Recycle Joint Stock Company plays a central role in securing raw materials and reducing dependence on external supply.

b. Green technology and digital transformation

The Group uses artificial intelligence to support product design and invests in research and development, using technology to reduce environmental impact from the design stage onwards.



c. A smart factory network geared towards Net Zero

The Group is upgrading its factory network with more automation, optimising logistics through a sensible geographical footprint, applying technologies that save energy and switching to renewable energy across the system.

d. The Supply Chain Package service

The Group is developing a service that covers the entire design, manufacturing, distribution, consumption, collection and recycling process, combining a product model that combines rental and sales with recovery and recycling to close the loop.

e. Professional workforce development

The Group is building a team of experts in the circular economy, green technology and sustainability management, and is working with universities on specialised training programmes to secure the people it needs for the transition.

4.2.2 SUSTAINABLE DEVELOPMENT ROADMAP FOR 2025–2030

The Group has divided its sustainability roadmap into three phases, each with its own focus and completion criteria, against which progress is assessed every year.

a. Phase 2025–2026: Strengthening the ecosystem foundation

- Completing the operating model: fully rolling out the Supply Chain Package service in the domestic market and improving coordination between the stages of the value chain.
- Expanding recycling capacity: scaling up the operations of BPG Recycle Joint Stock Company and setting up a collection and sorting system that ensures the quality of input materials.
- Developing core technologies: investing in research on advanced recycling technologies, using artificial intelligence to optimise processes and building a product traceability system.

b. Phase 2026–2028: Expansion and diversification

- Developing international markets: expanding into regional markets with environmentally friendly product lines and building a network of strategic partners.
- Diversifying the product portfolio: concentrating on recycled products with high added value and encouraging the logistics sector to switch from wooden pallets to recycled plastic pallets.
- Improving energy efficiency: implementing the Net Zero roadmap against the defined milestones and installing solar power systems at all factories.

c. Phase 2028–2030: Leading and sustaining

- Completing the Net Zero roadmap: completing the greenhouse gas emissions reduction programme as committed and sharing the Group's transition experience with companies in the region.
- Playing a pioneering role in the circular economy in the region: providing complete solutions to companies that want to move to sustainable production models.
- Expanding social impact: carrying out community development projects on a large scale, creating quality jobs and expanding the Charity Fund and social support programmes



4.2.3 THE GROUP'S FUTURE SUSTAINABILITY OUTLOOK

The Board of Directors has set out its vision for the longer term, from 2030 onwards across six dimensions. They describe what the Group aspires to and serve as benchmarks for assessing its progress.

01 Regional position: becoming the leading circular industrial plastic solutions platform in Southeast Asia, connecting manufacturing, recycling and services within an open ecosystem, and being recognised as an example of sustainable transformation in the plastics industry.

02 Contribution to national goals: becoming a partner to government agencies in meeting Vietnam's international climate commitments, with a circular economy model that other Vietnamese businesses can replicate.

03 A complete ecosystem: operating a closed loop ecosystem that regenerates itself in which a network of suppliers, customers, technology partners and communities all take part.

04 Continuous technological innovation: leading green technology research and development in the plastics industry and working with international research institutes on new solutions.

05 Positive social impact: creating more quality jobs, supporting local economic development and running circular economy education programmes on a wide scale.

06 Transparency and governance: meeting ESG governance standards recognised by international rating organisations and publishing sustainability reports regularly with a high level of transparency.

This outlook reflects the Board of Directors' aim to build Binh Thuan Plastic into a company that is economically efficient and also contributes to the sustainable development of society and the protection of the environment for future generations.

4.3. STAKEHOLDER ENGAGEMENT

4.3.1 BUILDING AND DEVELOPING PARTNERSHIPS, SHARING AND ALIGNING INTERESTS WITH PARTNERS AND OTHER STAKEHOLDERS

Binh Thuan Plastic Group Joint Stock Company recognises that it cannot achieve sustainable success alone; it needs close cooperation and shared benefits with all its stakeholders. As the Closed Loop Supply Chain Ecosystem model is implemented, sustainable partnerships have become a decisive factor in the Group's success.

a. A "Win-Win, Grow Together" partnership philosophy:

The Group's partnership philosophy is based on the win-win principle: all stakeholders benefit from the Closed Loop Supply Chain Ecosystem model. Sharing value gives partners a reason to cooperate and keeps relationships sustainable over time.

b. Strategic cooperation across the value chain

Through the Supply Chain Package service, the Group adds value for every partner in the chain, from suppliers of recycled materials to end customers. Combined with recovery and recycling, the product model that combines rental and sales lowers costs for customers and provides a stable supply of raw materials for the ecosystem.

c. Investing in partner development:

The Group also invests in building its partners' capabilities. Its programmes help suppliers move to green production, provide training on the circular economy and share recycling technology, as part of its commitment to a sustainable ecosystem as a whole.



4.3.2 PROCESS FOR IDENTIFYING AND PRIORITISING STAKEHOLDERS, AND PLANNING AND IMPLEMENTING ACTIVITIES TO MEET STAKEHOLDER NEEDS

STAKEHOLDER IDENTIFICATION AND CLASSIFICATION PROCESS:

01 Comprehensive ecosystem mapping: The Group identifies and classifies stakeholders on the basis of the Closed Loop Supply Chain Ecosystem model. AI tools are used to analyse data from multiple sources on sustainability trends and on how business activities affect each stakeholder group.

02 Impact assessment across several dimensions: An assessment matrix is applied using four criteria: impact on ecosystem performance, stakeholder interest and influence, contribution to sustainable development goals, and potential to create value over the long term. Each stakeholder group is scored on a scale with its own weightings.

03 Consultation and validation: The Group holds direct consultation sessions with representatives of key stakeholders, including strategic customers, suppliers, community representatives, employees at all levels, independent experts, and representatives of regulatory authorities and international organisations.

04 Quantitative analysis: Machine learning is used to analyse data from surveys, focus group discussions and in-depth interviews, and to build models that forecast long-term impacts on each stakeholder group under future development scenarios.

05 Confirmation and commitment: The Board of Directors and the Executive Board review and discuss the findings in a series of dedicated meetings before deciding on the priority level of, and engagement strategy for, each stakeholder group.

DEVELOPING A SPECIFIC ACTION PLAN:

Based on the assessment results, the Group prepares an action plan with specific activities, a clear timeline and performance indicators. The plan is updated periodically as the business environment and stakeholder needs change.

4.3.3 STAKEHOLDER PRIORITISATION MATRIX

Stakeholder group	Level of influence	Level of interest	Level of priority	Engagement strategy
Suppliers	High	High	Very high	Strategic cooperation, joint development investment
Customers	High	High	Very high	Lasting partnership, creating value together
Employees	High	High	Very high	Capability development, sharing success
Regulatory authorities	High	Medium	High	Compliance, policy cooperation
Local communities	Medium	High	High	Sustainable development, creating shared value
Banks and Investors	High	Medium	High	Information transparency, financial partnership
Media organisations	Medium	Medium	Medium	Transparent information, brand building



4.3.4 ENGAGEMENT CHANNELS FOR EACH STAKEHOLDER GROUP AND DETAILS OF ACTIVITIES IMPLEMENTED IN 2025

a. Suppliers

Engagement channels: Sustainable Supplier Development Programme (SSDP), system for sharing information

Activities implemented in 2025:

- Implemented the SSDP with a comprehensive set of ESG criteria, assessing and classifying suppliers according to sustainability standards
- Established sustainability standards for the assessment and selection of new partners
- Established an online system for sharing information on raw material requirements and production plans

b. Customers

Engagement channels: Strategic customer programme, digital service platform, customer care centre

Activities implemented in 2025:

- Rolled out the integrated Supply Chain Package service for major customers, helping to optimise their entire supply chain
- Introduced the benefits of the Supply Chain Package service and recycled products
- Provided information on product sustainability and supported customers in applying circular economy principles
- Conducted regular surveys on customer satisfaction and emerging customer needs



c. Employees

Engagement channels: Internal communication system, training and development programmes, corporate culture activities

Activities implemented in 2025:

- Organised the "BPG Family Day", creating a space for connection and sharing between the leadership, employees and their families
- Organised team building programmes for employees from both the South and the North, fostering solidarity and interregional collaboration
- Organised the "Full Moon Festival" programme to celebrate the Mid-Autumn Festival, bringing together all employees and their families
- Delivered training programmes on the ecosystem and new technologies, and organised training sessions on the circular economy
- Implemented welfare policies linked to sustainability performance and encouraged improvement initiatives at the factories
- Built a corporate culture focused on sustainability through internal activities and volunteer programmes

d. Government regulators:

Engagement channels: Periodic reporting, participation in policy development, collaboration on project implementation

Activities implemented in 2025:

- Reported periodically on recycling activities and contributions to national sustainable development goals
- Contributed input to the development of policies promoting the circular economy in the plastics industry
- Ensured full compliance with, and performance beyond, legal requirements on the environment and occupational safety

e. Local communities:

Engagement channels: Community advisory board, local development programmes, charity fund

Activities implemented in 2025:

- Organised the "Swing for Smile" charity golf tournament, raising more than VND 500 million for the Smile Charity Fund
- Supported 50 cleft lip and palate surgeries for disadvantaged children through the Smile Charity Fund
- Implemented waste collection programmes in local areas, creating livelihood opportunities for local people through recycling activities



f. Banks and investors:

Engagement channels: Periodic ESG reports, investor roadshows, investor conferences

Activities implemented in 2025:

- Provided transparent information on ESG indicators and the sustainability roadmap through quarterly and annual reports
- Established partnerships with banks to finance renewable energy projects
- Participated in ESG assessments to improve ratings and reputation

g. Media partners:

Engagement channels: Regular press releases, product launch events, CSR programmes

Activities implemented in 2025:

- Developed educational content programmes on the circular economy and recycling across media channels
- Shared information on CSR activities and their positive impact on communities
- Built lasting relationships with journalists specialising in the environment and sustainable development

Through this engagement system, the Group secures the support of its stakeholders and builds a sustainable development ecosystem in which all parties benefit and grow together.



CHAPTER V

SUSTAINABILITY GOVERNANCE AT BPG PRESENT AND FUTURE

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5.1. BPG'S GOVERNANCE CULTURE: PRESENT AND FUTURE

5.1.1. GOVERNANCE CULTURE

a. "Absolute integrity and perseverance to keep reaching further": the foundation of the BPG Gen culture



"Absolute integrity and perseverance to keep reaching further" is the core governance principle and business philosophy that has guided Binh Thuan Plastic Group (BPG) throughout its development. At BPG, integrity is our DNA and transparency is how we act. Integrity builds trust, perseverance gives the strength to pursue long-term goals, and the aspiration to reach further drives the Group to keep innovating, adapting and creating new value.

Over time, this philosophy has become more than a governance statement. It is now the BPG Gen culture, shared from the governance and executive levels down to every employee. The values "Integrity, Decisiveness and Readiness" guide how people think and act: integrity to build trust and responsibility, decisiveness to turn commitments into results, and readiness to respond to changes in the market, technology and sustainability requirements.

The BPG Gen culture is both an identity and an internal capability that makes the Group more adaptable and resilient. BPG believes that to keep reaching further, a business must grow in scale and economic performance and must also build trust, responsibility and lasting value with its stakeholders.

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b. Business objectives

- For BPG, economic benefit and sustainable development go together. Sustainable development is therefore integrated into the overall business strategy rather than run as a parallel strategy or a separate programme. It is part of how the Group sets objectives, allocates resources, manages risk and creates value over the long term..
- In this model, economic growth provides the resources for BPG to keep investing in people, technology, the environment and the community. In turn, sound environmental, social and governance practices help control risk, build trust, improve competitiveness and support growth over time. Business performance and sustainable development are two parts of the same value creation cycle.
- The strategy is guided throughout by the principle of balancing, as far as possible, the interests of all stakeholders: shareholders, investors, customers, employees, suppliers and partners, as well as regulators, communities and society. BPG aims to create value for the company and to share the benefits of its development with everyone who takes part in its ecosystem.
- On this basis, BPG is moving from a focus on growth alone to responsible growth, in which economic value is created alongside environmental responsibility, people development and social contribution. The aim is a BPG that is more efficient, greener and more sustainable.

5.1.2 BPG'S CURRENT AND FUTURE SUSTAINABLE DEVELOPMENT STRATEGY

BPG sees sustainable development as a long journey built on three strategic pillars: GOVERNANCE, ENVIRONMENT and SOCIAL. The three pillars are linked to the business strategy so that the Group can manage risks, take up opportunities and increase its capacity to create value over the long term

GOVERNANCE

Integrity as the foundation, transparency to build trust

- BPG aims to build a governance system that is principled, transparent and agile and that integrates ESG, and to embed sustainability factors step by step into strategic planning, operations, risk management, performance evaluation and investment decisions.
- In the coming period, the Group plans to digitalise its internal control and risk management systems further and to make increasing use of big data and artificial intelligence to identify, flag and respond to risks. BPG is also stepping up dialogue with stakeholders and working towards international standards for governance, compliance and sustainability reporting, including ISO 37301 and the GRI Universal Standards from 2027.

ENVIRONMENT

Greening production, driving the circular economy

- For BPG, the green transition is an environmental responsibility and also a source of competitiveness. The strategy focuses on efficient use of resources and energy, lower emissions, more recycled material, technological innovation and the gradual development of a circular production model.
- On this roadmap, BPG aims to have at least one flagship factory certified for carbon-neutral production by 2028, to raise the share of recycled materials used to 60%, and to have 70% of its key partners in a periodic joint ESG audit programme by 2030. The Group also continues to research environmentally friendly material solutions as it moves from being a traditional plastics manufacturer to a provider of sustainable material solutions.
- Looking ahead to 2035, BPG aims to become a pioneer in sustainable material solutions in Southeast Asia, contributing to Vietnam's journey towards net zero emissions.

SOCIAL

Developing people, standing alongside communities

- BPG puts people at the centre of its sustainability strategy. The Group aims to provide a fair and safe working environment with opportunities for development, and to prepare a workforce that can adapt to technological, economic and environmental change.
- From 2027, BPG aims for 100% of its employees to receive regular training on ESG, digital skills and a sustainability mindset, continuing to develop the BPG Gen generation: principled, decisive, ready and responsible for shared value.
- For the community, BPG intends to move from individual acts of support towards programmes with lasting impact in education, social welfare and healthcare. By 2030, the Group aims to spend at least 2% of its profit after tax each year on community activities, acting as a responsible corporate citizen that works with the community to build the future.
- Guided by the philosophy of "Absolute integrity and perseverance to keep reaching further", BPG aims to turn sustainable development from a commitment into a lasting competitive capability, in which economic performance, environmental responsibility and social value together create sustainable value for BPG and all its stakeholders.

5.2 BUILDING A FOUNDATION FOR SUSTAINABLE CORPORATE GOVERNANCE



5.2.1. GOVERNANCE DIRECTION AND THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors ("BOD") plays a central role in setting strategic direction, overseeing executive management and building a governance framework that supports BPG's development over the long term. In carrying out its functions, the BOD seeks to balance growth objectives, operational efficiency and the Company's sustainability requirements.

The BOD reviews, gives direction on and decides important matters relating to development strategy, investment, finance, human resources and risk management. Its oversight ensures that its directions and decisions are implemented in line with the Company's overall objectives and strengthens transparency, accountability and compliance in governance.

BPG makes use of each BOD member's professional expertise, practical experience and ability to contribute to the Company's development. Improving the quality of the BOD's work is regarded as an important means of strengthening the governance system and improving the Company's ability to respond to changes in the business environment.



5.2.2. GOVERNANCE STRUCTURE, COMPLIANCE AND RISK CONTROL

BPG continues to refine its governance structure and practices so that they are transparent, professional and suited to the Company's size and type of business. The BOD currently has 07 members with a mix of governance experience and expertise in different fields. Independent members make up 42% of the BOD, which adds objectivity when it reviews and decides on matters within its remit.

BPG also develops governance capability by keeping members up to date on corporate governance, sustainable development, ESG and risk management. BOD members are encouraged to build their professional expertise and to adapt to new governance requirements.

On this basis, the Company continues to strengthen legal compliance and improve its internal governance system. Policies and operating procedures are reviewed and updated to keep them in line with the law and with practical needs. Units and departments are encouraged to identify and resolve legal issues as they arise and to take stronger preventive measures.

Risk management is proactive, applied across the Company and involves all its units. Risks are identified, assessed, monitored and controlled according to their nature and potential impact. BPG pays particular attention to financial, business, legal, contractual, operational, human resources, safety, environmental and supply chain risks.

Each department manages the risks within its function and works with the others to address them. The Legal Department handles legal, contractual and compliance risks; the Finance and Accounting Department manages financial, cash flow and cost risks; and the production, sales and operations units control the risks that arise in daily work. This allows BPG to detect problems earlier and respond to developments that may affect the Company's operations.





5.2.3. TRANSPARENCY, ACCOUNTABILITY AND PROTECTION OF SHAREHOLDERS' RIGHTS

BPG treats information transparency, accountability and the protection of shareholders' legitimate rights and interests as core principles of corporate governance. The Company has mechanisms that allow shareholders to access information, take part in decision-making and exercise their rights in full, in accordance with the law, the Company's Charter and its internal regulations.

General Meetings of Shareholders follow the prescribed order and procedures, so that shareholders can attend, vote and give their views. Documents for matters within the remit of the General Meeting of Shareholders are prepared and provided in accordance with regulations, which makes decisions more transparent and efficient.

BPG also discloses information on its operations, business results, corporate governance and ESG matters. Reports are issued at appropriate intervals, and the Company is working to make its disclosures more complete, timely and accessible to shareholders and other stakeholders.

BPG will continue to improve the quality of its disclosures, strengthen accountability and quantify more of its ESG information and social impact.

5.2.4. STAKEHOLDER RELATIONS AND GOVERNANCE ETHICS

BPG regards its stakeholders as an important part of the Company's long-term development. It aims to build cooperative, transparent and mutually beneficial relationships with each stakeholder group, using communication and coordination mechanisms suited to the characteristics and role of each group.

IN SELECTING SUPPLIERS

the Company considers capability, legal and ESG criteria and aims to build a responsible supply chain.

FOR CUSTOMERS

BPG maintains its commitment to product and service quality and uses their feedback to improve service.

FOR EMPLOYEES

the Company aims to provide a fair, transparent and safe working environment in which they can develop their capabilities.



BPG also maintains appropriate working relationships with government regulators, takes its responsibilities towards local communities seriously and is transpa ent in its dealings with banks, investors and the media.

Alongside these relationships, BPG promotes a governance environment based on ethics, fairness and objectivity. BOD members, the Executive Board and employees must comply with ethical principles and with the rules on identifying, managing and handling conflicts of interest. These controls limit situations that could compromise the objectivity of decisions or the legitimate interests of the Company.

5.2.5. INNOVATION AND IMPROVING GOVERNANCE EFFECTIVENESS



As it refines its governance system, BPG continues to introduce initiatives that improve management effectiveness and the Company's adaptability. The focus is on strategic planning and investment management capabilities and on the wider use of technology and digital transformation in governance.

BPG also aims to align the interests of management and employees with the Company's long-term development goals. Closer coordination between management levels and specialist units is expected to improve the quality of decisions, make better use of resources and strengthen strategy execution.

These governance initiatives are tied to the requirements of transparency, compliance, risk management and sustainable development, and they strengthen the governance framework that supports BPG's competitiveness over the long term.



5.3 SUSTAINABILITY GOVERNANCE

5.3.1 SUSTAINABILITY GOVERNANCE STRUCTURE

In 2025, Binh Thuan Plastic Group (BPG) continued to refine its sustainability governance structure to give clearer direction, oversight and coordination to ESG work across the Group. The structure sets out the roles and responsibilities of each management level and functional unit, so that sustainability issues are implemented, overseen and managed consistently.

BPG's sustainability governance structure comprises the following main levels and functions:

a. Board of Directors (BOD)

The BOD is the highest governance body for directing and overseeing the Group's sustainability matters. It sets the strategic ESG priorities and reviews and oversees the implementation of sustainability directions, targets and activities across the Group.

The Chairman of the BOD is the principal focal point responsible for ESG direction and oversight at BOD level.

b. Executive Board

The Executive Board implements the ESG directions and strategy as instructed by the BOD and coordinates sustainability activities across the whole system.

The Chief Executive Officer is the member of the Executive Board with primary responsibility for implementing the ESG strategy and for ensuring that directions are turned into specific actions in the relevant units and departments.

c. Member Companies

Member companies implement ESG requirements in line with their own functions, operations and circumstances, and coordinate with the fun tional departments and the Executive Board to achieve the Group's common goals.

Member companies are also responsible for monitoring how ESG criteria are applied within their operations and for providing information and data for consolidation and reporting.

d. Functional Departments within the Group

Functional departments integrate sustainability requirements into their daily management and operations in line with their assigned functions. They implement, monitor, control and measure the ESG indicators within their remit and provide the related information.

The ESG Operations Team coordinates ESG activities across the Group. It supports units and departments with implementation, data consolidation, progress tracking and coordination on ESG matters and information disclosure.

e. Oversight Function

The Oversight Function is carried out by the units that monitor and control the implementation of ESG content, criteria and activities within their assigned scope.

These units help the Executive Board identify areas for improvement, monitor compliance and ensure that ESG activities meet the Group's governance and operational requirements.

f. Risk Management Function

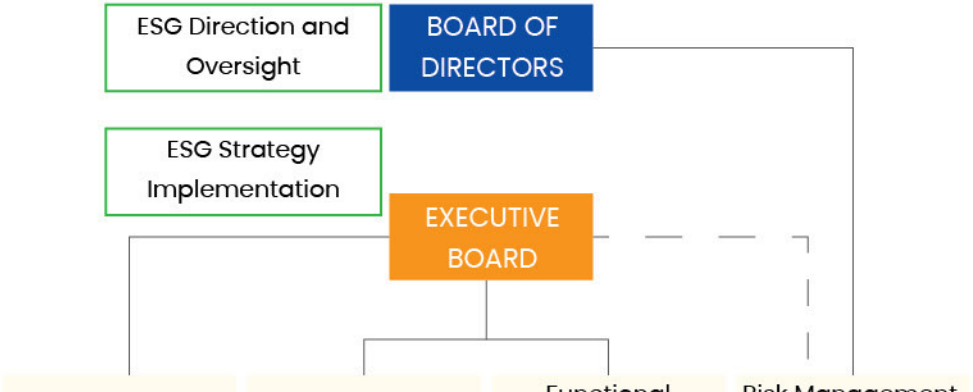
The Operations Committee performs the ESG risk management function, supporting the BOD in identifying, assessing and overseeing risks related to sustainability.

The Operations Committee monitors, consolidates and reports on ESG risk issues through the Group's governance mechanism. This helps the Group identify, control and respond earlier to risks that may affect BPG's operations and sustainability objectives.

Through this structure, BPG is building an ESG governance mechanism based on clear accountability, closer coordination and stronger oversight. It provides the basis for integrating environmental, social and governance factors into the Group's business operations and decision-making.







Oversight Functions	Member Units	Functional Departments under the Group	Risk Management Function (Operational Team)
Carry out the Executive Board's oversight activities regarding internal matters and specific operational criteria, including: • Quality assurance • Budget management • Occupational health and safety, etc.	• Provide ESG direction and oversight • Implement the ESG strategy Regarding the ESG activities of member entities *Note: The ESG governance structure of each member unit shall comply with the regulations applicable to that unit.*	• Carry out operational activities, including ESG-related activities • Proactively manage ESG risks arising from operations, measure and report relevant ESG indicators within their operational responsibilities • Participate in providing and disclosing ESG information and data, and providing ESG-related explanations	• Coordinate, identify and assess ESG risks • Monitor the implementation of necessary controls • Monitor functional departments' compliance with ESG information collection and reporting procedures



Direct guidance and oversight channel

Indirect consultation and reporting channel



5.3.2 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

BPG identifies, assesses and controls material risks through its internal management system and periodic monitoring, and applies prevention and mitigation measures in line with the ISO 14001 and ISO 45001 standards.

a. Occupational health and safety risks

- Hazard identification and risk control in accordance with ISO 45001.
- 100% of employees receive a health check once a year.
- 100% of employees are trained in occupational safety, fire prevention and firefighting, and emergency response.
- 100% of employees are provided with appropriate PPE.
- No serious occupational accidents occurred during production.
- Regular safety inspections at the workplace are carried out, and employees are encouraged to spot and report unsafe behaviour and working conditions so that incidents can be prevented.

b. Human resources risks

- 100% of employees are trained according to plan.
- An average of 24 hours of training per employee per year.
- Competitive salary, bonus and benefits policies are maintained.
- Employee turnover rate below 8–10%.
- Employee satisfaction rate above 85%.
- Employees can give their views through consultation channels, so that their feedback is captured promptly and used to improve the working environment.



c. Waste and environmental incident risks

- Over 98% of plastic scrap is recycled or reused.
- 100% of hazardous waste is treated in accordance with regulations.
- No industrial wastewater is discharged into the environment.
- Rainwater is harvested for use in production.
- No serious environmental incidents occurred.
- Preventive measures are in place to avoid environmental incidents, control chemical leaks and respond quickly to abnormal situations.



d. Image and reputational risks

- 100% of customer feedback is received and addressed.
- Over 95% of complaints are resolved on time.
- 100% of sales staff are trained.
- No media crises occurred that seriously affected the company.



e. Environmental pollution risks

- 100% of monitoring results comply with technical regulations.
- 100% of machinery is maintained according to plan.
- The use of chemicals is strictly controlled in accordance with the law

f. Resource use risks

- 100% of employees are trained in resource conservation.
- Striving to reduce electricity and water consumption by 2–5% annually through improvement programmes.
- Increasing the reuse rate of materials in line with technical requirements.
- Progressively implementing solutions to save energy and reduce emissions.

5.3.3 SUSTAINABILITY INFORMATION MANAGEMENT

a. Information management system

In 2025, BPG worked to standardise how it collects, consolidates and manages sustainability information, to make the data used for ESG governance and reporting more complete, consistent and transparent.

The relevant units and departments track, update and consolidate the ESG information and indicators within their remit at regular intervals. Data from member companies and functional departments is reviewed and consolidated for internal management and for the preparation of the Group's Sustainability Report.

BPG is also making greater use of digital tools and platforms to store, manage and consolidate data, which will make ESG information easier to trace, check and analyse in the coming years.



b. Internal and public reporting

Sustainability information is consolidated and reported to the Executive Board and the relevant management levels so that they can monitor, evaluate and direct activities.

In addition to internal reporting, BPG discloses sustainability information to stakeholders through its Sustainability/ESG Report, which makes the Group's sustainability activities, results and direction more transparent.

BPG will continue to refine its ESG data management processes, improve the consistency of data across units and raise the quality of its reporting.

5.3.4 INCOME, REMUNERATION AND BONUSES BASED ON SUSTAINABILITY CRITERIA

BPG recognises that linking sustainability targets to performance evaluation can motivate managers and employees to contribute actively to the Group's ESG objectives.

In 2025, BPG's income, remuneration and bonuses were paid in accordance with the Group's prevailing policies and regulations, based on job position, competence, task completion and performance.

Sustainability factors are being considered step by step as the ESG governance system is developed. BPG intends to study how ESG indicators could be built into its performance evaluation, recognition and reward mechanisms, particularly for management positions and for departments directly involved in meeting sustainability targets.

BPG will continue to work on linking business performance, job performance and sustainability targets in subsequent reporting periods.



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5.3.5 IDENTIFICATION OF CLIMATE-RELATED RISKS

BPG identifies and manages climate-related risks so that it can adapt, keep production running and pursue sustainable development.

PHYSICAL RISKS

Climate change may affect infrastructure and production. To reduce these impacts, BPG has taken the following measures:

- 100% of factories have developed natural disaster and emergency response plans.
- ≥ 95% of equipment is maintained according to plan to ensure stable operation.
- No incidents of non-compliance with environmental laws.
- No serious production disruptions caused by natural disasters or environmental incidents.



TRANSITION RISKS

The transition to a low-carbon economy is bringing more requirements on the environment, the circular economy and sustainable development.

To adapt, BPG has taken the following measures:

- 100% of new legal regulations are reviewed and their impact assessed.
- Progressively improving products to enhance recyclability and material efficiency.
- Maintaining ≥ 80% of key suppliers assessed against environmental criteria.
- Working towards 100% of factories applying and improving an environmental management system in accordance with ISO 14001.

GREENHOUSE GAS EMISSION RISKS

Greenhouse gas inventory and emissions reduction requirements are becoming important market criteria. BPG has taken the following measures:

- Monitoring 100% of electricity and fuel consumption at the factories.
- Progressively conducting greenhouse gas inventories in accordance with regulations.
- Striving to reduce energy consumption intensity and emissions intensity by 2–5% each year.
- Prioritising solutions that save energy and technologies with lower emissions.

5.3.6 OVERSIGHT BY THE BOARD OF DIRECTORS

The Board of Directors (BOD) has the highest responsibility for directing and overseeing risk management and sustainability at BPG. Through the governance mechanism and the functional focal points, the BOD monitors issues that may affect the Group's operations, business performance and long-term development objectives.

In 2025, the BOD performed its oversight role through the following main activities:

- Monitoring and receiving information from the Executive Board and relevant departments on operational performance, risk issues and environmental, social and governance matters across the Group.
- Giving direction and instructions on material issues to improve the Group's ability to identify, control and respond to risks that may affect BPG's operations.
- Overseeing the implementation of governance and compliance directions, so that legal, corporate governance and sustainability requirements are properly considered in operations and decisions.

BPG continues to refine its oversight and risk management mechanisms, with clear accountability, closer coordination and earlier risk identification.

The BOD's oversight, together with coordination between the Executive Board, member companies and functional departments, enables BPG to manage its environmental, social and governance impacts and supports stable, sustainable development over the long term.



CHAPTER VI

REGENERATING RAW MATERIALS SUSTAINABLY

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6.1 REGENERATING RAW MATERIALS SUSTAINABLY

Technological innovation and product development are central to BPG's sustainability strategy. In 2025, the Group continued to invest in production capacity, develop products from recycled materials and build a production model based on circular economy principles. This also allows BPG to expand its product and technology solutions in ways that use resources efficiently, reduce waste and add value to plastic materials







6.1.1 DEVELOPING 100% RECYCLED PLASTIC PRODUCTS

In 2025, BPG developed and manufactured around 129 product codes made from 100% recycled plastic, mainly plastic pallets and industrial products suited to the characteristics of recycled materials.

A wider range of recycled plastic products allows BPG to use more recycled material while meeting customers' different requirements for load capacity, dimensions, operating conditions and product characteristics.

BPG plans to continue researching and expanding its range of recycled plastic products and to increase the share of recycled material in suitable product lines.

6.1.2 APPLYING ADVANCED TECHNOLOGY IN PRODUCTION AND RECYCLING

BPG continues to invest in and operate machinery and equipment with high capacity, supported by its own mould design and fabrication for plastic pallet production. By 2025, the Group owned around 46 large dedicated pallet mould sets, which allow it to develop a wide product range and respond better to market demand.

Having its own equipment and moulds also allows BPG to research, test and optimise recycled material formulations for each product line. This improves quality control, production efficiency and the value obtained from recycled materials

6.1.3 USING RENEWABLE ENERGY IN PRODUCTION

BPG is integrating renewable energy into production by installing rooftop solar power systems at suitable factories.

In 2025, solar power systems were installed at several production facilities, including the BTS factory (around 550 kWp) and the BQP factory (around 891 kWp). Renewable electricity reduces demand for power from conventional sources and supports the Group's energy efficiency goals.

BPG plans to assess further opportunities for rooftop solar at suitable factories and to combine this with measures that save energy and optimise consumption in production.

6.1.4 DEVELOPING RECYCLED PRODUCTS WITH HIGH ADDED VALUE

BPG continues to research ways to increase the value of used plastic by recovering, sorting and recycling products such as plastic crates, packaging, damaged pallets and other suitable plastic waste.

The recovered material is processed and regenerated to make new products, including durable plastic pallets of high value such as those used in the rental model. This extends the life of materials, reduces the amount of plastic sent for disposal and improves resource efficiency



6.1.5 PROMOTING EXTENDED PRODUCER RESPONSIBILITY

- BPG is developing its collection and recycling capacity to help build a circular value chain for plastic products.
- Within the Group, recycling is carried out by specialised units. They recover and process used materials and supply recycled raw materials for production.
- BPG has also developed a circular model for pallets based on the following cycle:
- Manufacture -> Sell/Rent -> Recover -> Recycle -> Manufacture
- The model increases the recovery of products after use, reduces plastic waste and moves the Group towards a material cycle that is closer to a closed loop.
- BPG will continue to look at expanding its recovery and recycling activities and to work with partners that need suitable plastic waste collection and treatment, so that more value is obtained from used materials.

6.1.6 BUILDING A CIRCULAR ECONOMY MODEL FOR PALLET PRODUCTS

Pallets are one of BPG's flagship products and a main focus of the Group's circular economy model.

The model is built by connecting the following activities:

- Manufacturing plastic pallets;
- Selling and renting out plastic pallets;
- Recovering pallets from customers and other suitable sources;
- Inspecting, repairing and reusing pallets that are still serviceable;
- Recycling pallets that are no longer serviceable into raw materials for new production.

- Through this model, BPG is moving from a "resource consumption" approach to a "resource regeneration" approach, in which materials stay in use for longer through reuse, repair and recycling
- The Group also plans to increase the share of recycled materials used in production each year, in line with the technical and quality requirements of each product line.
- The Hung Yen Factory Complex is being developed on a green production and circular economy model, with a design capacity of around 19.8 million products per year, or around 25,000 tonnes per year. The project is designed to meet the EDGE Advanced standard and incorporates the use of recycled materials as well as BPG Retail's recycled plastic pallet rental model
- This is the next step in building BPG's manufacturing, recycling and reuse ecosystem, with the aim of using resources more efficiently and creating sustainable value across the product life cycle.

6.2 BUILDING A SUSTAINABLE ENVIRONMENT AT BPG: PRESENT AND FUTURE

6.2.1. PAST AND CURRENT PROJECTS AND ACTIVITIES OF BINH THUAN PLASTIC GROUP (BPG)

Over the years, BPG has introduced measures covering products, raw materials, energy, water, emissions and waste, based on resource efficiency and circular economy principles. These measures are tailored to the Group's type of production and focus on using more recycled material, extending product life and reducing the environmental impact of operations.

a. Product design based on circular economy principles

BPG is optimising product design and formulations to use more recycled material while still meeting requirements for quality, durability and intended use.

The range of products made with recycled materials has grown over the years, particularly plastic pallets and industrial products. A wider range of recycled plastic products increases the use of secondary raw materials and adds value to used materials.



b. Developing products suited to their service life

BPG chooses material formulations to suit the characteristics and life cycle of each product group. For pallets used for export or under different operating conditions, materials are compounded to technical specifications that balance resource efficiency with product durability.

For warehouse pallets and more demanding operating conditions, BPG has increased its research and development on compounding formulations to improve product quality, service life and reusability. This reduces the need for replacement and the amount of waste generated over the product's life.



c. Managing and optimising input materials



- BPG uses recycled materials from several sources that meet its production requirements. Using a higher share of recycled material reduces the Group's demand for virgin materials and makes better use of plastic resources.
- Defective products, scrap and recoverable materials from production are sorted, collected and reused or recycled as appropriate. This reduces the volume of waste requiring treatment and returns materials to production.
- The Group is paying increasing attention to the share of recycled materials in production, which helps reduce dependence on materials derived from fossil fuels and supports a circular production model.

d. Water and energy management



- BPG controls water from production and domestic use, and collects and treats wastewater in accordance with regulations before discharge. Water use is monitored and managed to limit environmental impact and use water resources more efficiently.
- BPG is also introducing more efficient energy management at its production facilities. The Group has commissioned rooftop solar power systems at the BQP and BTS factories, which increase the share of renewable energy in its electricity mix and reduce its reliance on conventional power sources.
- In addition, BPG is researching and applying measures to save water, harvesting rainwater where conditions at the factory allow, and optimising energy use in its operations.

e. Fulfilling Extended Producer Responsibility and promoting the circular economy



- BPG is developing activities to recover, reuse and recycle used plastic products, in line with Extended Producer Responsibility (EPR) and the circular economy
- For plastic pallets, BPG operates a sell, rent, recover, repair/reuse and recycle model that extends product life and reduces the need for new raw materials.
- Several units within BPG have the functions and facilities to collect, process and recycle plastic. This gives the Group a basis for developing further recovery and recycling solutions and for exploring ways to turn used plastic into raw materials for production.

f. Measuring and reducing greenhouse gas emissions

- BPG is building a data collection system for its greenhouse gas emissions inventory in line with the GHG Protocol Corporate Accounting and Reporting Standard. The system covers Scope 1 and Scope 2, and Scope 3 emission sources are being considered in stages.
- Emissions data allows BPG to identify its significant emission sources, assess emissions intensity by production activity and identify opportunities to reduce emissions in its operations.
- Because its production facilities are spread across several regions, BPG can serve customers locally, which shortens transport distances and improves logistics efficiency.

g. Waste and hazardous waste management

- BPG sorts, collects and manages production waste according to waste category and the treatment required for each.
- Recoverable plastic waste is reused or recycled where possible. Waste that can no longer be reused is collected and handed over to licensed treatment providers in accordance with regulations
- Hazardous waste is segregated, stored in designated areas and handed over to licensed treatment providers to limit risks to the environment and to employees
- Wastewater from production and domestic activities is collected, treated in accordance with regulations and controlled before being discharged into the environment.



6.2.2 FUTURE PROJECTS/ACTIVITIES BPG IS PURSUING

Future direction: BPG's strategic activities on its sustainability journey

On its sustainability roadmap, Binh Thuan Plastic Group (BPG) plans to continue reducing its environmental impact, using resources more efficiently and developing a production model based on circular economy principles. The main focus areas for the coming period are:

a. Strengthening the measurement and control of environmental impacts

- BPG aims to improve how it manages and monitors the environmental aspects of production, including wastewater, stormwater runoff and related emission sources.
- BPG will continue to improve its systems for collecting, treating and controlling wastewater, and will monitor and assess them more regularly so that environmental risks can be identified and controlled promptly. More attention will also be paid to stormwater management at the factories, with the aim of improving collection and drainage and using this water efficiently.



b. Stepping up reuse and developing recycled material sources

- In line with its circular economy direction, BPG continues to increase its use of recycled materials in production and to improve plastic recovery, sorting and reuse.
- BPG aims to optimise the share of recycled material in each product line. This reduces dependence on virgin materials, limits plastic waste and extends the life of resources, and it gives BPG a basis for building a more circular and sustainable material value chain.

c. Promoting renewable energy and improving energy efficiency

BPG plans to make greater use of renewable energy in its production and business operations, with priority given to expanding and making full use of rooftop solar power systems at suitable factories.

BPG will also improve electricity efficiency by upgrading equipment, optimising the operation of machinery and production lines, and monitoring and assessing energy consumption more closely. Energy efficiency inspections, reviews and assessments will be used to identify improvement opportunities at each factory.

d. Optimising resource use and minimising waste

BPG continues to introduce measures for the efficient use of electricity, water and plastic raw materials in production. The focus is on reducing production losses, reusing suitable resources and generating less waste.

This includes researching solutions for rainwater harvesting and use, optimising water use in production and domestic activities at the factories, and improving the sorting, recovery and reuse of recyclable waste.

Through these activities, BPG aims to build a production model that uses resources efficiently, reduce its environmental impact and prepare for the transition to a sustainable development model, in line with the Group's circular economy direction.



6.3 REGENERATING A SUSTAINABLE SOCIAL FOUNDATION FOR THE PRESENT AND FUTURE



6.3.1 EMPLOYEES

Management approach and 2025 context

At Binh Thuan Plastic Group (BPG), people are regarded as the most important form of capital, not as a cost. All of the Group's human resources policies follow one principle: employees can only contribute over the long term when three foundations are in place, namely stable income, physical safety and development opportunities. The Human Resources Department used these three pillars as its framework for monitoring, measuring and reporting in 2025.

2025 was a pivotal year for human resources at BPG because two sets of factors were at work at the same time:

01

First, the scale and geographical spread of the workforce increased: In 2025, the Group's production ecosystem operated across 04 factory complexes from North to South: the Ha Nam Complex (BTP, BQP), the Hai Duong Complex (BSC, VPM, BPG Recycle), the Saigon Complex (BTS, VPM) and the West Saigon Complex (BTL, BPG Recycle). On 01/10/2025, the Group held the launch ceremony for its Packaging Manufacturing Project, equipped with modern technology and machinery, and on 10/12/2025 it broke ground on the Hung Yen Factory Complex. Both projects required the Group to prepare its workforce in advance: recruiting, training skilled operators and developing hygiene and safety control procedures for a type of production that is new to BPG. Human resources management therefore moved from managing each factory separately to a model of centralised standards and decentralised execution.



02

Second, the labour law framework changed fundamentally: The Law on Social Insurance No. 41/2024/QH15, effective from 01/7/2025, significantly widened compulsory social insurance coverage (to include, among others, part-time workers whose monthly salary is equal to or higher than the minimum salary used as the contribution basis, and unpaid enterprise managers). It also reduced the minimum contribution period for a pension from 20 years to 15 years and changed how the contribution salary is determined. In the same period, Decree No. 143/2024/NĐ-CP on voluntary occupational accident insurance took effect on 01/01/2025, and Decree No. 293/2025/NĐ-CP, issued on 10/11/2025, raised regional minimum wages by an average of 7.2% from 01/01/2026. The Human Resources Department reviewed all employment contracts, salary scales and insurance contribution levels in advance, so that BPG was compliant before the new rules took effect rather than catching up afterwards.





This approach received external recognition in the same year:

- On 27/6/2025, BPG was honoured by Viet Research in collaboration with Finance and Investment Newspaper (Ministry of Finance) as one of the Top 10 Green Vietnam ESG Enterprises 2025.
- On 31/10/2025, the Group published its 2024 Sustainability Report, an important step in standardising the tracking of social indicators as an annual practice.
- On 05/12/2025, Viet Research named BPG among the Top 10 Best Workplaces in Vietnam 2025 in the Plastics, Packaging and Paper sector (Best Workplaces Vietnam 2025). This was the most direct and meaningful recognition of the year's human resources work, because the assessment is based on employees' own experience of the working environment, pay and benefits, and development opportunities, rather than on material published by the company itself.

a. Talent attraction and retention activities

Ensuring income:

- With the economy still volatile and competition for labour in the plastics and packaging industry intensifying, BPG treats stable income as its first commitment, on which it does not compromise to employees.
- Strictly punctual payment: All employee income is paid in full on the 10th of each month. In 2025, there were no cases of late salary payment at any member company.
- Wages consistently above the regional minimum wage: In 2025, BPG's lowest wage level was higher than the regional minimum wage stipulated in Decree No. 74/2024/NĐ-CP. As soon as Decree No. 293/2025/NĐ-CP was issued, the Human Resources Department completed a plan to adjust salary scales for uniform application from 01/01/2026.
- Annual market salary survey: The Group Human Resources Department and the Administration and HR teams at the factories benchmark salaries using reputable recruitment platforms and the employment service centres in the area of each complex, and report the results to the leadership as a basis for adjustments. As a result, BPG's salaries reflect both market levels and the actual capability and contribution of each position.
- Income adjustments linked to competency assessment: Each year, the leadership assesses professional competence and job performance and adjusts income to match the volume and quality of each employee's work
- Income structure with several layers: In addition to their monthly salary, employees receive sales commissions, production and business performance bonuses, and long-term incentives in the form of ESOP shares for individuals who have contributed consistently over many years. The ESOP policy is BPG's most effective tool for retaining key personnel because it turns employees from wage earners into co-owners.
- Allowances based on the nature of work and working conditions: fuel, telephone and uniform allowances, and childcare support.
- Flexible salary advances: The Group continues to work with VUI APP, which lets employees draw an advance on income they have already earned before payday. This gives factory workers a practical way to deal with unexpected expenses without turning to informal lenders.









Welfare and benefits system:

- Benefits at BPG are designed to support employees materially and emotionally, and to cover risks that salary alone cannot.
- Compulsory insurance: 100% compliance. All employees with official employment contracts are covered by social insurance, health insurance and unemployment insurance in accordance with the law. The salary used as the contribution basis is always higher than the regional minimum wage.
- Raising contribution levels before the 2024 Social Insurance Law took effect: In April 2025, BPG adjusted contribution levels and announced the change to all employees at the Group and its factories. The contribution level for each job title was raised by at least 6% compared with the previous level. Because this was done before the Law on Social Insurance No. 41/2024/QH15 took effect (01/7/2025), employees started the new cycle with a higher base of entitlements, and the increase was above the general level among companies in the same region.
- Periodic health checks are held every year for employees at all member companies and factories. The examination package for each position depends on its level of exposure to hazardous and harmful factors.
- 24/7 health and occupational accident insurance (Bao Viet): In addition to compulsory insurance, BPG buys an insurance package that covers medical examination and treatment, medicines and hospital fees in the event of accidents or occupational diseases, including outside working hours. The package also provides financial support for rehabilitation or reduced working capacity.
- Rest, recovery and engagement: In 2025, the Group organised activities throughout the year: BPG Family Day 2025: Run for Smile on 11/5/2025 at Yen So Park (Hanoi) for all employees and their families; BPG Championship 2025, an internal sports tournament for the member companies that opened on 30/11/2025; monthly employee birthday celebrations; team building; and a year-end gala. Employees can still carry over unused annual leave until the end of June of the following year, which gives them room to rest after peak production periods.
- Social security for employees' families: The most significant new development in 2025 was the decision by the BPG Smile Charity Fund to allocate part of its resources to direct support for employees facing hardship, under the motto "There when needed, sharing in hard times". After a natural disaster during the year, the Fund and the Group supported 36 affected employee households with between VND 1 million and VND 5 million each, a total of more than VND 140 million from the Fund's budget. This marks an important change: BPG's welfare support now extends beyond employees to their households, where risks actually arise

Recognising dedication and contributions:

- Monthly employee evaluations linked to productivity, job performance and improvement initiative bonuses.
- Year-end evaluations linked to production and business performance bonuses, averaging 01 month's salary
- Honouring employees with commemorative medals and certificates of merit for the year's Outstanding Manager and Outstanding Employee titles
- Assessing professional competence as the basis for appointments, rotations and wider responsibilities, creating a clear career path rather than promotion based on seniority
- Maintaining regular weekly meetings to hear about challenges arising in production and jointly find optimal solutions to improve productivity and reduce costs

A friendly, open working environment:

- Open workspaces, with departments collaborating directly and administrative barriers between levels kept to a minimum.
- Natural light and greenery are incorporated into work areas; smoke-free zones are maintained at offices and factories.
- Management by results instead of mechanical timekeeping: BPG does not use time clocks for office staff. Department heads assess employees on the work they complete and their actual performance. This gives employees control over their time, but it also requires more self-discipline from them and stronger skills in managing by objectives from middle managers.



b. Education and training for professional development

In today's industrial plastics industry, the competitive edge no longer lies in machinery, since equipment can be bought, but in people's ability to operate and improve it. BPG's leadership therefore treats training as a long-term investment rather than an incidental cost. BPG's training system in 2025 was organised in four layers:

ONBOARDING TRAINING

All new hires are trained on corporate culture, organisational structure, the product portfolio and internal processes and regulations, which shortens the time they need to settle in and reduces the risk of early mistakes.

INTERNAL TRAINING LED DIRECTLY BY LEADERSHIP

Every week and every month, the Chairman of the Board of Directors and senior leaders personally lead sessions on their approach to work, problem-solving methods and lessons in management. Training delivered directly by leaders creates a shared way of thinking across the whole system, which outsourced training would find hard to achieve.

REGULAR PROFESSIONAL TRAINING

Training on product knowledge and professional skills for staff takes place every Monday morning. In 2025, after the launch of the Packaging Manufacturing Project (01/10/2025), training at the BTS Factory also covered the preparations for a food safety management system: hygiene control in accordance with ISO 22000, Hazard Analysis and Critical Control Points (HACCP) principles and Good Manufacturing Practice (GMP). This preparation was a prerequisite for the BTS Factory to obtain and fully apply all three certifications in January 2026.

EXTERNAL TRAINING AND COMPLEMENTARY SKILLS

The Group sends employees on external training programmes and to learn from other companies in the industry. Besides their professional expertise, employees are trained in communication, negotiation, professional conduct and appearance, conversational English, and leadership and management.

c. Charitable activities involving employees

At BPG, charitable activity goes beyond the company setting aside a sponsorship budget: it is a way for employees to contribute directly to the community. This benefits society and also strengthens employees' pride in and attachment to the Group.

These activities are organised through the BPG Smile Charity Fund, licensed by the Ministry of Home Affairs under Decision No. 474/QD-BNV dated 03/7/2024. 2025 was the Fund's first full cycle of operation. On 13/8/2025, Mr Trinh Minh Anh officially became Senior Advisor to the BPG Board of Directors and Chairman of the Smile Charity Fund, so that the Fund now has dedicated management instead of being run alongside other roles. The main programmes of the year were:

- BPG Family Day 2025: Run for Smile (11/5/2025, Yen So Park, Hanoi): combining family engagement activities for employees with fundraising for the smile surgery programme.
- Cleft lip and palate surgery programme at Viet Nam – Cuba Friendship Hospital (launched on 08/9/2025): the BPG Smile Charity Fund supported surgery for 50 disadvantaged children, improving their chances of integrating into society
- Support for employees affected by natural disasters: 36 households, with a total value of more than VND 140 million (details in section a.2).
- "Swing for Smile 2025" Charity Golf Tournament (19/12/2025, Long Bien Golf Course, Hanoi): the third edition, mobilising resources from customers, partners and sponsors for the Fund's humanitarian surgery programmes.
- Internal fundraising drives and environmental clean-ups around the factory complexes, carried out by the employee volunteer team.







d. Employee health and safety

At BPG, employee health and safety is the highest priority and comes before any output or schedule target. Industrial plastics manufacturing involves operating injection moulding machines, granulators, heating furnaces, forklifts and pressure equipment, so the risk of accidents is constant and can only be controlled through a system with several layers of control, not through slogans.

In 2025, the Group's occupational safety and health control system operated through seven components:

- Signing commitments to comply with the occupational safety policy: 100% of office staff and factory workers signed a commitment to comply with the occupational safety and health policy. The commitment makes each person's responsibilities clear and gives the company a basis for action when violations are found.
- Occupational safety communication across several channels: At the factories, posters on protective equipment requirements and safety measures are displayed on notice boards and in work areas. The Internal Affairs Department works with the Communications and Marketing team to produce videos, posters and notices for the whole system. Articles and instructional videos are posted regularly on internal channels (YouTube, Facebook and the Group's internal groups).
- Safety training and drills: Office staff are trained in emergency evacuation in case of fire or explosion, basic first aid and office equipment safety. Factory workers are trained in the use of personal protective equipment, safe machine operation, hazard identification and emergency response procedures. Training is organised by target group in accordance with the law on occupational safety and health.

Inspection and detection of violations:

The Internal Affairs Department and the Administration and HR teams at the factories carry out unannounced inspections at offices and production workshops to detect violations promptly, from incorrect use of protective equipment to operating procedure errors. The findings are recorded in reports with corrective actions.

Handling violations:

Violations are handled according to their severity, through a reminder, a warning, mandatory retraining or suspension from work. Violations of machine safety rules at the factories, where the consequences can be very serious, are dealt with strictly to deter others and prevent repeat offences.

Labour Protection Council:

The Council, made up of representatives from departments and factories, oversees compliance, deals with health and safety issues, and develops and updates safety measures for each division. It meets periodically to review the working environment and propose improvements.



Responsibilities of employees:

Complying with safety procedures and using protective equipment correctly; reporting immed ately upon detecting a hazardous situation or unsafe working conditions; and proactively looking after their health, attending periodic health checks and not overworking or working in unsuitable conditions

Responsibilities of the company:

Ensuring safe working conditions and providing adequate personal protective equipment; strictly complying with the law on occupational safety and health; and organising training and regular supervision to detect and prevent hazards.

Employee representation on Health and Safety Committees:

Representatives of office staff and factory workers sit on the health and safety committees, so that policies are applied fairly and reflect real needs. Employee representatives report issues as they arise and propose improvements.

Health and safety indicators for 2025

INDICATOR	UNIT	2024	2025
Number of occupational accidents	Cases	0	0
Number of workdays lost due to occupational accidents	Days	0	0
Number of occupational disease cases	Persons	0	0
Percentage of employees trained in occupational safety	%	100	100



e. Diversity, equity and inclusion

Recruitment policy and process: At BPG, recruitment is transparent, efficient and fair, with the aim of selecting the candidates who best fit the job requirements and the corporate culture.

- Recruitment from diverse sources: internal, external, through referral networks and through employment service centres in the areas where the factories are located.
- A clear process, with no discrimination on the basis of gender, ethnicity, religion or any other personal factor.
- All candidates have equal opportunities and are assessed on their actual capabilities and experience.
- Onboarding training helps new hires adapt quickly to the working environment and corporate culture.
- Specific guidance on internal processes, tools and work software
- Opportunities to connect through welcome parties, monthly birthday celebrations and group activities.

Performance-based pay management: BPG applies this pay mechanism flexibly, adapted to each division and position, to encourage higher performance, accountability and initiative. The system makes pay more ransparent and fair: employees are assessed and paid according to their actual capabilities and results, not their seniority or connections.

Diversity among managers and employees:

Gender diversity. Men and women have equal opportunities in all positions, including management and senior leadership.

Ratio	2023	2024	2025
Managers	32%	32%	23.3%
Women	55.5%	56%	55%
Female managers	41.4%	33%	21.7%

Senior leadership by gender	2023	2024	2025
Male	83%	63%	71.4%
Female	17%	37%	28.6%

Middle management by gender	2023	2024	2025
Male	64%	62%	36,8%
Female	36%	37%	63.2%

Staff level by gender	2023	2024	2025
Male	61%	58%	62,7%
Female	39%	42%	37.3%



Observation:

Middle management saw clear progress in 2025. The proportion of women in middle management rose from 37% to 63.2%, the first time women have formed the majority of managers at this level. This group is the succession pool for senior leadership over the next 3–5 years.

By contrast, the proportion of women among all managers fell to 21.7%, mainly because expanded production at the factory complexes created more technical and operations management positions, an occupational group with few female candidates in the labour market. The Human Resources Department has identified this as an area for improvement and set a target to increase the proportion of women in management during 2026–2028.

Age diversity

Staff level by age	2023	2024	2025
Under 30	36%	32%	45%
30 to 50	38%	63%	51%
Over 50	26%	5%	4%

Observation:

- The workforce became considerably younger in 2025, with the under-30 group rising from 32% to 45% as the Group recruited for its new production lines. Younger workers adapt quickly to technology, but they also need more skills and safety training, since less experienced workers face the highest risk of accidents in a factory environment. For this reason, BPG pairs new hires with experienced staff through a mentoring arrangement.
- Nationality and cultural diversity: Besides Vietnamese staff, BPG has employees and managers from other countries and cultures, including Korea, Japan and Thailand. In 2025 this diversity reached the most senior executive level. On 22/3/2025, the Group appointed two new members to the Board of Directors; on 09/5/2025, it appointed an Independent Member of the Board of Directors who is also Vice Chair of the Strategy & Investment Committee; and on 26/5/2025, it appointed Mr Khachadpai Areeprasertsook as Deputy General Director for International Business. Senior executives with international experience bring a wider range of perspectives to decisions and set new governance standards for the next generation of Vietnamese managers.

f. Non-discrimination: creating jobs for disadvantaged groups in local communities

BPG's factories and member companies run vocational training programmes and offer suitable jobs to people with disabilities and people facing hardship in the communities around the factories, helping them integrate into society, earn a stable income and improve their living conditions.

For disadvantaged groups who need flexible or part-time hours, such as women with young children, older people or people with particular family circumstances, BPG arranges positions that suit their schedules and health, so that they can meet the requirements of the job and keep their lives stable.

From 01/7/2025, under the Law on Social Insurance No. 41/2024/QH15, part-time workers whose monthly salary is equal to or higher than the minimum salary used as the basis for compulsory social insurance contributions must participate in compulsory social insurance. The Human Resources Department has reviewed all part-time workers to make sure they receive their insurance entitlements under the new rules. This is a real step towards fairness for the group of workers most likely to be overlooked.

Workforce movements

Number	2023	2024	2025
New hires	270	405	65
Employees who left	143	182	25
Employees on maternity leave	27	12	04

g. Human resources priorities for 2026

Based on the results of 2025, the Human Resources Department has identified five priorities for 2026:

- Uniformly applying the new regional minimum wages under Decree No. 293/2025/NĐ-CP from 01/01/2026 at all factory complexes, together with a review of salary scales to maintain reasonable differentials between grades.
- Standardising the occupational health and safety management system in accordance with ISO 45001:2018 at the factory complexes, moving from compliance control to systematic risk management. The Group will also maintain and extend its use of ISO 22000, HACCP and GMP, the three certifications the BTS Factory obtained in January 2026 following the training and workforce preparation carried out from Q4/2025.
- Finalising the set of human resources indicators for ESG reporting in line with international practice (GRI 401, 403, 404, 405, 406), including total workforce by gender, age and region, turnover rate, average training hours and occupational accident frequency. The Administration and HR team at each factory is responsible for collecting the data, which is finalised every quarter.
- Increasing the proportion of women in management, using the larger pool of women at middle management level in 2025 as a source of succession candidates for senior leadership.
- Extending the social support that the Smile Charity Fund provides to employees, and setting clear rules on eligibility, support levels and approval so that support is transparent and timely
- Preparing the workforce for the Hung Yen Factory Complex (groundbreaking on 10/12/2025): planning recruitment, staffing levels and safety training for the new workforce, with priority given to recruiting local workers
- Remaining among the Top 10 Best Workplaces in Vietnam in the Plastics, Packaging and Paper sector, and using the results of employee experience surveys each year to improve human resources policies.



6.3.2 SHAREHOLDERS AND THE COMPANY'S SUSTAINABLE DEVELOPMENT

a. Sustainable growth and responsibility towards stakeholders

BPG has pursued growth that goes hand in hand with greater operational efficiency and sustainable value for the Company and its stakeholders. Over the past 5 years, the Company has expanded its production and business, its facilities, its workforce and its customer network, which has improved its ability to meet market demand and strengthened its market position.

For BPG, sustainable growth is reflected in business results and also in its responsibilities towards the environment, employees, customers, partners and the community. As it expands, the Company makes efficient use of resources, maintains the quality of its products and services, and provides a safe and fair working environment in which employees can develop.

With its supply chain and partners, BPG aims to build lasting, transparent and responsible relationships and is giving increasing weight to legal and ESG criteria when selecting, working with and evaluating partners. The Company also takes its responsibilities to local communities seriously and considers environmental factors in organising its production and business.

BPG is integrating environmental and social factors into its business, combining growth objectives with the management of long-term impacts and risks. This helps the Company adapt to change, strengthen its competitiveness and create stable value for shareholders and stakeholders.





b. Transparent governance, shareholder engagement and risk control

BPG regards effective, transparent and responsible corporate governance as essential to maintaining the trust of shareholders, investors and other stakeholders. The Company continues to improve its governance system by strengthening accountability and legal compliance, safeguarding shareholders' legitimate rights and interests and improving the quality of decisions.

BPG has mechanisms that allow shareholders to access information, attend General Meetings of Shareholders, vote and give their views in accordance with regulations. Disclosures are complete, timely and transparent and cover business operations, financial position, corporate governance and ESG matters. The Company also maintains channels for communication and feedback with shareholders and investors.

In addition to transparency, BPG manages and controls the risks that could affect its operations and corporate value. Risk management is proactive and covers the identification, assessment, monitoring and control of financial, business, legal, contractual, operational, human resources, safety, env ronmental and supply chain risks. Units across the Company manage risks within their functions and work together on issues as they arise.

BPG will continue to improve its governance, disclose more information, strengthen accountability, and gradually quantify its ESG information and improve its quality. Effective governance, risk control and responsibility towards stakeholders will help BPG strengthen its reputation, keep the trust of sharehol ers and investors and create sustainable value over the long term.



6.3.3 CUSTOMERS

BPG regards customers as one of the key stakeholders in its sustainability strategy. It aims to create lasting value by providing safe products, controlling quality, being transparent with information and improving the customer experience. BPG is also developing solutions that help customers optimise product life cycles and operate more sustainably

a. Prioritising product safety and quality

Product safety and quality are fundamental to BPG's oper tions. The Group maintains quality and environmental management systems that control every stage from input mat rials and production to product inspection and supply.

BPG controls the quality of its raw materials and selects sources that meet the technical requirements and intended use of each product line. Inspection procedures ensure that products meet quality, durability and safety requirements in use.

BPG also continues to improve process control in production through better processes, equipment and quality manag ment methods, with the aim of reducing defects and making products more consistent.

b. Information transparency and protection of customer rights

BPG is committed to providing clear, complete and appropriate product information so that customers can choose the products that meet their needs.

Information on products, technical specifications, instructions for use and related requirements is provided through BPG's sales and customer care channels. The Group also maintains warranty, return and defective product handling policies for each product group and set of applicable conditions.

Feedback, complaints and support requests can be submitted through customer care channels such as telephone, Zalo OA, the website and other online channels. BPG tracks how these are received and handled to ensure timely, transparent responses and to improve service quality.





c. Continuous improvement: enhancing experience and satisfaction

BPG regards the customer experience as important to building lasting relationships. Beyond product quality, the Group is improving its service by standardising customer care processes, developing its team's skills and making greater use of technology in customer interactions.

BPG continues to survey and gather customer feedback through channels such as Google Forms, Zalo OA, Fanpage, the website and direct feedback from the sales and market teams. Feedback is consolida ed and analysed to identify areas for improvement in products and services.

BPG will continue to make its customer service more effective, digitalise more of its interaction channels and improve how it tracks response times, the quality of request handling and customer satisfaction. The aim is a consistent, professional and increasingly effective customer experience.



d. Partnering with customers to promote sustainable solutions

BPG aims to help customers use products more efficiently and extend the life of plastic materials. Plastic pallet rental and pallet recovery, repair and reuse reduce the need for new replacement products, limit waste and make better use of resources.

In 2025, BPG recovered 122,894 used pallets and had around 47,344 pallets in its rental model on the market. Recovered pallets are inspected, sorted and repaired so that those still suitable can be put back into service; pallets that can no longer be used can be recovered and recycled, which extends product life and reduces the amount of plastic discarded.

Through these models, BPG is moving from simply supplying products to providing solutions for product use and life cycle management. It works with customers to optimise operational efficiency, use resources efficiently and make production and logistics more sustainable..

6.3.4 LOCAL COMMUNITIES

In 2025, Binh Thuan Plastic Group (BPG) continued to link its production and business activities with its responsibilities to communities and localities. The Group concentrated on job creation, social welfare, healthcare, education and livelihoods, and supported social initiatives. Through the BPG Smile Charity Fund and in coordination with agencies and organisations, BPG aims to create practical value and help build a sustainable development ecosystem in the areas where it operates.

6.3.4.1 Contributing to Local Economic Development and Social Welfare

BPG continues to give priority to recruiting, training and developing workers from the localities where it has facilities, creating stable jobs and building up the local workforce. The Group also pays all taxes and fees as required, contributing to public budgets and to local socioeconomic development.



a. Livelihood and social welfare support

In 2025, the BPG Smile Charity Fund carried out a range of activities for disadvantaged groups. In areas affected by natural disasters, the Fund supported 36 families of BPG employees with a total of more than VND 140 million. Through the Quang Trung Campaign launched by the Prime Minister and in coordination with the Mobile Police Command, BPG also built 120 "Social Welfare Chicken Coops" in Ha Tinh and Dak Lak, with a total value of nearly VND 120 million, to support livelihoods and help stabilise people's lives.

b. Healthcare and support for patients

Healthcare support remains a focus of BPG's community programme. Through the "Swing for Smile" golf tournament, organised with Operation Smile, the Fund raised VND 500 million to fund 50 free surgeries for disadvantaged children at Viet Nam – Cuba Friendship Hospital. More than 1,200 Tet gifts were also presented to disadvantaged patients at 6 hospitals as practical encouragement during the holiday.

6.3.4.2 Relations and Coordination with the Government

BPG works with government authorities and social organisations on the basis of legal compliance, full performance of its corporate obligations and support for socioeconomic development policies. In 2025, taking part in community programmes alongside government agencies and units helped BPG mobilise resources more effectively and ensure that support reached the intended beneficiaries

a. Supporting State policies

Through the Quang Trung Campaign launched by the Prime Minister, BPG worked with the Mobile Police Command on community support activities in Ha Tinh and Dak Lak. In addition to the 120 "Social Welfare Chicken Coops", the programme provided a "4.0 IT Launchpad" computer room worth VND 50 million to students at Xuan Loc Lower Secondary School, Ha Tinh Province. These activities combined livelihood support with better learning conditions and access to technology for the community.

b. Fulfilling corporate social responsibility

BPG's Corporate Social Responsibility (CSR) programmes in 2025 focused on practical community needs in healthcare, education, livelihoods and social welfare. The Group gave priority to programmes run with reputable organisations and social partners, which makes better use of resources and increases the chance of positive, lasting impact.







6.3.4.3 Community Engagement and Participation in Community Development

BPG has built closer ties with social organisations, agencies and local partners in carrying out its community programmes. Working with Operation Smile, the Mobile Police Command and other relevant units has allowed the Group to extend its support and to tailor programmes more closely to actual needs.

a. Supporting education and community capacity building

The "4.0 IT Launchpad" programme, worth VND 50 million, was implemented at Xuan Loc Lower Secondary School, Ha Tinh Province, to improve learning conditions and give students better access to information technology. It reflects BPG's approach of linking community programmes with capacity building and learning opportunities for young people.

b. Expanding partnerships for the community

BPG continues to work with stakeholders to achieve practical social impact. The 2025 programmes show a move from individual acts of support towards activities that create livelihoods, improve access to healthcare and educ tion and raise quality of life. BPG will continue to expand its community partnerships, giving priority to programmes that meet local needs and can create lasting value.



GRI CHECKLIST

Terms of Use

Binh Thuan Plastic Group Joint Stock Company (BPG) reports the information cited in the GRI index below for the financial year ending March 31, 2026, with reference to the GRI Standards.

GRI 1 has been used

GRI 1: Foundation 2021

GRI CHECKLIST

GRI STANDARDS	GRI INDEX	PAGE
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	40 – 45
	2-2 Entities included in the organization's sustainability reporting	9 – 10, 42
	2-3 Reporting period, frequency and contact point	8, 11, 12
	2-4 Restatements of information	N/A
	2-5 External assurance	13
	2-6 Activities, value chain and other business relationships	43 - 50
	2-7 Employees	95 - 110
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	77 – 79
	2-10 Nomination and selection of the highest governance body	77
	2-11 Chair of the highest governance body	77
	2-12 Role of the highest governance body in overseeing the management of impacts	72 – 73, 77, 85
	2-13 Delegation of responsibility for managing impacts	77 – 79
	2-14 Role of the highest governance body in sustainability reporting	72 – 73, 77, 85
	2-15 Conflicts of interest	75
	2-16 Communication of critical concerns	75
	2-17 Collective knowledge of the highest governance body	71 - 75
	2-18 Evaluation of the performance of the highest governance body	N/A
	2-19 Remuneration policies	83, 98 - 100
	2-20 Process to determine remuneration	98 - 100
	2-21 Annual total compensation ratio	N/A
	2-22 Statement on sustainable development strategy	21 – 25, 50
	2-23 Policy commitments	21 – 25
	2-24 Embedding policy commitments	21 – 25
	2-25 Processes to remediate negative impacts	N/A

GRI STANDARDS	GRI INDEX	PAGE
GRI 2: GENERAL DISCLOSURES 2021	2-26 Mechanisms for seeking advice and raising concerns	62 - 65
	2-27 Compliance with laws and regulations	73
	2-28 Membership associations	N/A
	2-29 Approach to stakeholder engagement	62 – 67
	2-30 Collective bargaining agreements	95 - 105
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	53
	3-2 List of material topics	52
	3-3 Management of material topics	56 – 57
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	14 – 15, 114
	201-2 Financial implications and other risks and opportunities due to climate change	82 - 84
	201-3 Defined benefit plan obligations and other retirement plans	95 - 100
	201-4 Financial assistance received from government	N/A
GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	114 - 116
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	N/A
	203-2 Significant indirect economic impacts	N/A
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	N/A
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	N/A
	205-2 Communication and training about anti-corruption policies and procedures	N/A
	205-3 Confirmed incidents of corruption and actions taken	N/A
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A

GRI STANDARDS	GRI INDEX	PAGE
GRI 207: TAX 2019	207-1 Approach to tax	114
	207-2 Tax governance, control, and risk management	N/A
	207-3 Stakeholder engagement and management of concerns related to tax	N/A
	207-4 Country-by-country reporting	N/A
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	87
	301-2 Recycled input materials used	87 - 89
	301-3 Reclaimed products and their packaging materials	87 - 89
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	90 - 92
	302-2 Energy consumption outside of the organization	N/A
	302-3 Energy intensity	90 - 92
	302-4 Reduction of energy consumption	90 - 92
	302-5 Reductions in energy requirements of products and services	N/A
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	91
	303-2 Management of water discharge-related impacts	91 – 93
	303-3 Water withdrawal	N/A
	303-4 Water discharge	91 – 93
	303-5 Water consumption	N/A
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	94
	305-2 Energy indirect (Scope 2) GHG emissions	94
	305-3 Other indirect (Scope 3) GHG emissions	N/A

GRI STANDARDS	GRI INDEX	PAGE
GRI 305: EMISSIONS 2016	305-4 GHG emissions intensity	N/A
	305-5 Reduction of GHG emissions	N/A
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	92
	306-2 Management of significant waste-related impacts	92
	306-3 Waste generated	92
	306-4 Waste diverted from disposal	92
	306-5 Waste directed to disposal	92
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	65, 84
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	108
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	98 - 103
	401-3 Parental leave	108
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	N/A
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	80, 103 – 104
	403-2 Hazard identification, risk assessment, and incident investigation	80, 104
	403-3 Occupational health services	104
	403-4 Worker participation, consultation, and communication on occupational health and safety	102 - 104
	403-5 Worker training on occupational health and safety	103 - 105
	403-6 Promotion of worker health	99
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	104

GRI STANDARDS	GRI INDEX	PAGE
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-8 Workers covered by an occupational health and safety management system	103 - 105
	403-9 Work-related injuries	105
	403-10 Work-related ill health	105
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	N/A
	404-2 Programs for upgrading employee skills and transition assistance programs	100
	404-3 Percentage of employees receiving regular performance and career development reviews	98, 100
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	106 – 107
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	108
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	114 – 116
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A

GRI STANDARDS	GRI INDEX	PAGE
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	114 - 116
	414-2 Negative social impacts in the supply chain and actions taken	N/A
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	N/A
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	112 - 113
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	112 - 113
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	112 - 113
	417-2 Incidents of non-compliance concerning product and service information and labeling	112 - 113
	417-3 Incidents of non-compliance concerning marketing communications	112 - 113
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

BPG

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