




Green Transformation

**RESPONSIBLE
BUSINESS**



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MESSAGE FROM THE CHAIRMAN OF THE BOARD

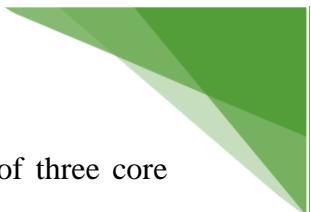
Dear Shareholders, Customers and Partners,

Fierce competition; strategic and technological divides between developed nations; ongoing geopolitical tensions in Ukraine and the Middle East; surging prices of gas, oil, essential goods, and shipping; declining global demand and investment; along with volatile exchange and interest rates—all posed significant barriers to economic growth. The escalating effects of climate change have not only resulted in significant losses and hindered socioeconomic progress but have also placed substantial pressure on enterprises to adapt and transform their operational paradigms.

Within this context, Vicostone remains resolute in pursuing its established strategic objectives for sustainable development, maintaining stable production and business operations, solidifying its position as the Top three largest suppliers of engineered stone countertops to the global market and the leading brand in Vietnam. Furthermore, the Company has leveraged its core competencies and innovative capabilities in line with the principles of **GREEN TRANSFORMATION – CONSCIOUS BUSINESS**.

"**Green transformation**" has become an imperative business strategy for achieving comprehensive organizational growth and fostering long-term national prosperity. Vicostone is firmly committed to becoming a sustainable enterprise, driven by our mission to promote and create modern, humane, and intelligent lifestyles, foster community development, and to protect the environment following global sustainability standards.

The year 2025 marks a comprehensive transformation phase for Vicostone in pursuit of the established ESG objectives. The Company is progressively integrating the principles of E (Environmental), S (Social), and G (Governance) into all aspects of the operations – from strategy to execution, from production to supply chain management. In particular, initiatives towards achieving NetZero are given top priority, built upon advanced technologies, energy efficiency, and the circular economy, with the aim of fulfilling the Company's long-term carbon neutrality commitment in alignment with the Government's policies.



To realize these objectives, Vicostone focuses on the synchronous development of three core pillars: People – Systems – Technology. We are committed to building a capable, innovation-driven workforce; enhancing the ESG management system across all production and business activities; and accelerating the adoption of technologies that promote recycling, optimize resource utilization, improve operational efficiency, and reduce emissions. These foundations provide the solid basis for Vicostone to effectively implement the NetZero roadmap, strengthen competitiveness, and reaffirm its pioneering role in sustainable development practices.

On behalf of the Board of Directors and all personnel of the Company, I extend my sincere gratitude to our Shareholders, Clients, and Partners for their unwavering commitment and support over the past 22 years. The achievements we have accomplished together with your support will be a powerful driving force for our vision of a greener, more sustainable, and prosperous future.

We wish you continued health, success, and prosperity.

CHAIRMAN OF THE BOARD



HO XUAN NANG



REPORT OF ENSURING THE RELIABILITY OF SUSTAINABLE DEVELOPMENT REPORT

To: Vicostone Joint Stock Company


To ensure the reliability and accuracy of some indicators in the 2024 Sustainable Development Report, as well as the accordance of the said indicators with the current GRI (Global Reporting Initiative), the Audit Committee has conducted its review and provided limited assurances to some of the indicators of Sustainable Development for 2024.

Responsibility of the Board of Management

The Board of Management has the responsibility to prepare and present the 2024 Sustainable Development Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and sector-specific scopes of activity. At the same time, the Board of Management is responsible for the design and implementation of internal controls which it deems necessary to ensure the accuracy and reliability of information and reasonableness to statistics in the 2024 Sustainable Development Report.

Responsibility of the Audit Committee

The Audit Committee has the responsibility to provide limited independent assurance on the information related to 2024 Sustainable Development indicators which have been selected in accordance with stipulations under the Decree No. 05/2019/ND-CP dated January 22, 2019 by the Government on internal audit, the Regulation on the operation of the Audit Committee, the Handbook on internal audit of the Company, the International Standards on Internal Audit, with reference to the provisions of Standard No. 3000 on services guarantee and past financial information control (issued together with Circular No. 66/2015/TT-BTC dated May 08, 2015 of the Ministry of Finance). These stipulations require the internal auditors to comply with the Professional Ethical Standards and risk-based sampling procedures, from inspection planning to implementation, in order to provide an independent view of the 2024 Sustainable Development Report.



The limited assurance is mainly conducted through interviews, complementary analysis procedures, including the selection and inspection of sample records and documents, internal reports, invoices and other documents from the Company and suppliers.

Scope of review

The Audit Committee has inspected the content and presentation of the 2024 Sustainable Development Report on the basis of the GRI Reporting Standards and the actual production and business performance of Vicostone in 2024.

Conclusion

Based on the above-mentioned procedures, the Audit Committee agrees that, the 2024 Sustainable Development Report of Vicostone has been conducted and presented in accordance with the material topics, the current GRI Standards and Vicostone's actual operations for the financial year ended December 31, 2024.

Recipients:

As above

Chairman of the Board of Directors (to report);

Record kept at Archives, Audit Committee

Hanoi, August 30th, 2025

ON BEHALF OF THE AUDIT COMMITTEE

Head of the Audit Committee



NGUYEN QUANG HUNG



A. GENERAL INFORMATION

I. Overview of Vicostone

Vicostone is the third-largest supplier of engineered stone countertops to the global market. The Company has set up a broad network across 50 countries, with more than 10,000 agencies and partners in all five continents, as well as secured the intellectual property right for its brand VICOSTONE® in almost 70 countries.

International name: Vicostone Joint Stock Company

Abbreviated name: Vicostone

The certificate of business registration: 0500469512 issued by the Hanoi Department of Planning and Investment on June 2, 2005, and registered for the 20th amendment on Jan 16, 2025.

Charter capital: VND 1,600,000,000,000 (One trillion six hundred billion Vietnamese dong)

Address: Hoa Lac Hi-Tech Park, Hoa Lac Commune, Hanoi, Vietnam

Tel: +84 3368 5826

Fax: +84 3368 6652

Email: quanhecodong@vicostone.com

Website: <https://vicostone.com>

Stock name: Share of Vicostone Joint Stock Company


Stock code: VCS

Par value: 10,000 dong

Amount of issued and listed shares: 160,000,000 shares on the Hanoi Stock Exchange (HNX)

Amount of treasury shares: 0 shares

Amount of outstanding shares: 160,000,000 shares



Responsible for information disclosure: Mr. Pham Tri Dung

Title: General Director of Vicostone Joint Stock Company

Tel: +84 24 3368 5826

Fax: +84 24 3368 6652

Address: Hoa Lac Hi-Tech Park, Hoa Lac Commune, Hanoi, Vietnam

Independent auditing unit

Ernst & Young Vietnam Ltd. Co.

Tel: +84 24 3831 5100

Address: 8th Floor, Cornerstone Building, 16 Phan Chu Trinh, Cua Nam Ward, Hanoi, Vietnam.

Audited VICOSTONE's separated financial statements and consolidated financial statements for 13 consecutive years from 2012 to 2024.

II. Vision, Mission, Strategic orientation, Core values

1. Vision

To keep promoting the standing of the brand VICOSTONE® on the international market through innovation and appliance of advanced technologies and materials to create unique, artistic, and inspirational quartz products.

2. Mission

To realize all commitments, pioneer innovations to offer top quality unique, artistic, trend-leading products, satisfy the demand of customers, and inspire individual creativity.



3. Strategic orientation

Smart industrial production is positioned as the core business while eco-friendly materials and hi-tech products are the spearheads, focusing on engineered quartz stone and advanced composite materials.

4. Core values

Reliability

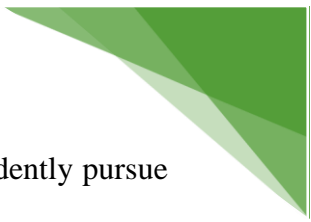
Vicostone has established a proven culture of “Talk the Talk, and Walk the Walk” and “Realize all commitments” based on the following:

- High-quality human resource equipped with the knowledge, talent, responsibility, passion, creativity and can-do attitude;
- Satisfaction and trust of each employee, customer, and shareholder as Vicostone’s ultimate goals;
- Effective application and update of the latest technologies advancements in production, and corporate governance;
- Strong financial capability and advanced management technologies for good business performance and sustainable development;
- Corporate social responsibility.

Pioneership

In advanced technologies and materials to become the market trend creator and achieve eco-friendly, sustainable development.

Inspiration



Vicostone's products are the quintessence of nature and inspire customers to confidently pursue and create personalized living space.



III. Development history

2002: Founded Vinaconex Advanced Compound Stone Plant, predecessor of Vicostone Joint Stock Company;

2003: Officially launched 02 advanced compound stones production lines using cement adhesive (Terastone line) and organic resin (Bretonstone line) with a total capacity of 920,000 m² /annum;

2004: First shipment to the Australian market, beginning a period of continuous export growth for Vicostone in the following years;

2005: Vicostone was equitized and had a charter capital of VND 30 billion;

2006: Became profitable after one year of equitization, a start to rapid and sustainable growth in the following years;

2007: Listed on the Hanoi Securities Trading Center (HASTC), currently the Hanoi Stock Exchange (HNX), and officially first traded on December 17, 2007; Increased charter capital to VND 100 billion;

2008: Increased charter capital to VND 129.5 billion; Awarded the Third-class Labor Order from the State;


2009: Successfully researched and applied environmentally-friendly bio-resin engineered stone production technology; Increased charter capital to VND 150 billion;

2010: Officially applied SAP - Enterprise Resource Planning (ERP-SAP) system; Increased charter capital to VND 210.66 billion;

2011: Completed the second production line; increased charter capital to VND 529.99 billion;

2012: Awarded the Second-class Labor Order by the State;

2013: Renamed as Vicostone Joint Stock Company;



2014: Restructured and became a subsidiary of A&A Green Phoenix JSC (currently A&A Green Phoenix Group JSC);

2015: Awarded the Government's Excellent Emulation Flag for the period 2010 - 2015; Completed the infrastructure to support and implement the risk management system; integrated the risk management system into the overall operational procedure;

2017: Awarded the First-Class Labor Order by the State; Increased charter capital to VND 800 billion;

2018: Increased charter capital to VND 1,600 billion; Received the Vietnam Value Award;

2019: Received Commendation Certificate from the Hanoi People's Committee as excellent enterprise for significant contribution to the City's development; Announced the official acquisition of a 100% stake in Phenikaa Hue Mineral Processing and Investment Co. Ltd.;

2020: Became the third-largest global supplier of engineered stone countertops; Received the Vietnam Value Award and Hanoi's Emulation Flag;

2021: Recorded the historical highest export revenue of USD 230 million in spite of adversities caused by the COVID-19 pandemic; Recognized as "Prestigious exporter in 2020" by the Ministry of Industry and Trade;

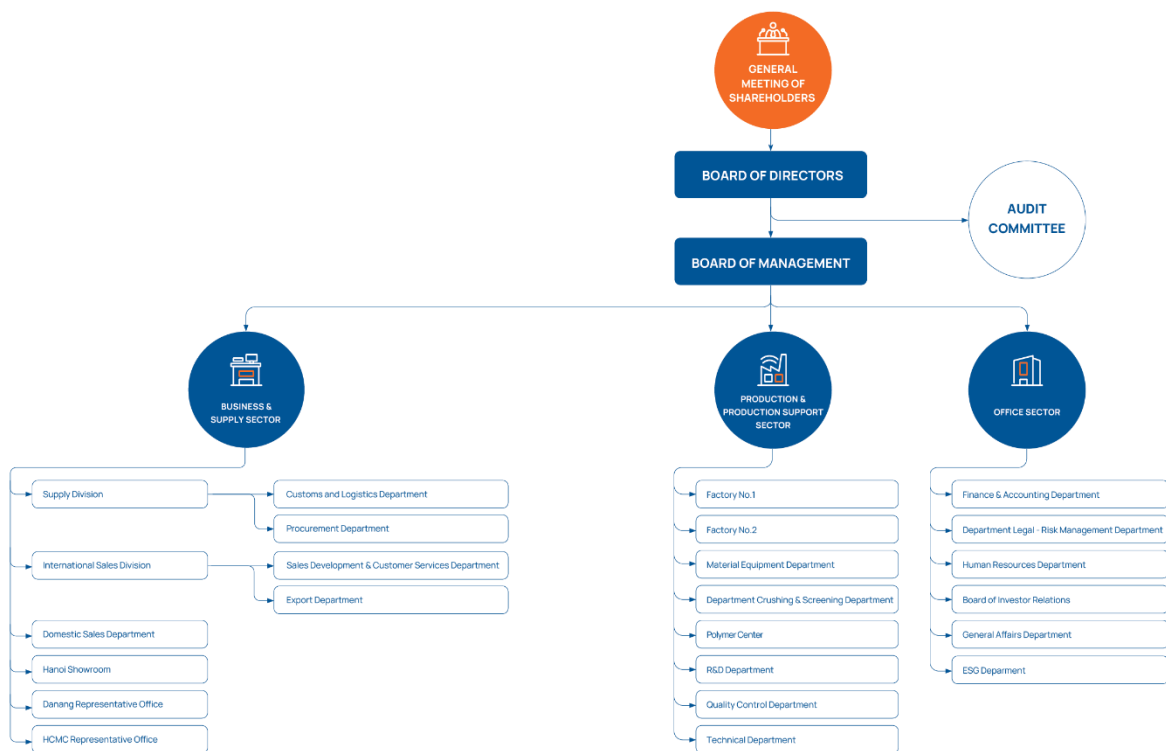
2022: VICOSTONE® brand received the Vietnam Value Award for the 3rd consecutive season.

2023: VICOSTONE® brand has been recognized as one of Top 100 Most Valuable Brands in Vietnam for the 7th consecutive year by Brand Finance (UK). Also, for the second consecutive year, Vicostone has been honored as one of the Top 50 Corporate Sustainability Awards 2023 in the category of "Minimize Carbon footprint", organized by Nhip Cau Dau Tu Magazine.

2024: VICOSTONE® brand received the Vietnam Value Award for the 4th consecutive season. Launched NetZero campaign - promoting green, clean production, reducing greenhouse gas emissions for sustainable development goals.

IV. Governance structure, Sustainable corporate governance and Management apparatus

1. Governance structure



2. Management Apparatus

2.1. Board of Directors

- | | |
|------------------------|------------------------------------|
| • Mr. Ho Xuan Nang | Chairman of the Board of Directors |
| • Ms. Le Thi Minh Thao | Member of the Board of Directors |
| • Mr. Pham Tri Dung | Member of the Board of Directors |
| • Ms. Tran Lan Phuong | Member of the Board of Directors |

- 
- Mr. Nguyen Quang Hung Member of the Board of Directors

In which: Mr. Ho Xuan Nang, Ms. Le Thi Minh Thao and Ms. Tran Lan Phuong are non-executive members, Mr. Nguyen Quang Hung is an independent member.

Mr. Ho Xuan Nang – Chairman of the Board of Directors

- *Year of birth:* 1964

- *Professional qualifications:*

Associate Professor, Doctorate of Mechanical Engineering;

Master of Business Administration

- *Titles at other companies:*

Chairman of the Board of Directors of A&A Green Phoenix Group JSC;

Chairman of the Board of Directors of Phenikaa-X JSC;

Chairman of the Board of Directors of AQP Research and Control Pharmaceuticals JSC;

Chairman of the Board of Directors of Vinh Thien Medical JSC;


Chairman of the Board of Trustees of Phenikaa University.

- *Professional experience:*

From June 12, 2014 – present: Chairman of the Board of Directors of Vicostone JSC;

From April 18, 2013 – December 15, 2016: General Directors of Vicostone JSC;

From April 18, 2013 – June 12, 2014: Vice Chairman of the Board of Directors of Vicostone JSC;



From April 2012 – April 2013: Chairman of the Board of Directors of Vinaconex Advanced Compound Stone JSC (now Vicostone JSC);

From March 2007 – March 2012: Chairman of the Board of Directors – General Director of Vinaconex Advanced Compound Stone JSC;

From June 2005 – March 2007: Director of Vinaconex Advanced Compound Stone JSC;

From July 2004 – May 2005: Director of Vinaconex Advanced Compound Stone Factory;

From January 1999 – July 2004: Vice Chief of Office of Vinaconex Corporation

From March 1996 – January 1999: Quality Director; Production Director of the Ford Vietnam Factory – Hai Duong;

From 1993 – March 1996: Institute of Vietnam Agricultural Electromechanics;

From 1986 – 1993: Researcher and lecturer of Hanoi University of Science and Technology.

Ms. Le Thi Minh Thao: Member of the Board of Directors

- *Year of birth:* 1972
- *Professional qualifications:* Master of Business Administration
- *Titles at other companies:*

General Director of A&A Green Phoenix Group JSC;

Member of the Board of Trustees of Phenikaa University;

Member of the Board of Directors of Vinh Thien Medical JSC;

Member of the Board of Directors of Phenikaa Education Investment JSC

- *Professional experience:*



From February 2023 – present: General Director of A&A Green Phoenix Group JSC;

From December 2018 – February 2023: Vice General Director of A&A Green Phoenix Group JSC;

From June 2018 – December 2018: Head of Marketing Division of A&A Green Phoenix Group JSC;

From 2009 - 2018: Marketing Specialist– Banks and Real Estate Enterprises;

From 2007 - 2009: Marketing Specialist– T&C Investment Holding JSC;

From 1997 – 2007: Marketing Specialist in Fast-Moving Consumer Goods Companies;

From 1993 – 2003: Sales Officer –Dai Hoang Gia Company.

Mr. Pham Tri Dung: Member of the Board of Directors

- *Year of birth:* 1971
- *Professional qualification:* Master of Science, Master of Business Administration, Bachelor of Mechanical Engineering
- *Titles at other companies:*

Vice General Director – Member of the Board of Directors – A&A Green Phoenix Group JSC;


Member of the Board of Members of Phenikaa Hue Mineral Processing & Investment One Member Co. Ltd;

Member of the Board of Directors of Bao Toan A JSC.

- *Professional experience:*

From April 12, 2023 – present: Member of the Board of Directors of Vicostone JSC;

From February 27, 2023 – present: General Director of Vicostone JSC;



From March 2007 – February 27, 2023: Vice General Director of Vicostone JSC;

From March 2007 – August 4, 2015: Member of the Board of Directors of Vicostone JSC;

From February 2005 – March 2007: Vice Director of Vinaconex Advanced Compound Stone JSC;

From June 2004 – February 2005: Manager of Market Planning Department of Vinaconex Advanced Compound Stone JSC;

From August 2001 – June 2004: Vice Manager of Labor Export Department of Vinaconex Trading JSC – VINATRA

Ms. Tran Lan Phuong: Member of the Board of Directors

- *Year of birth:* 1988
- *Professional qualification:* Master of Business Administration, Bachelor of Economic Law
- *Titles at other companies:*

Vice General Director - Member of the Board of Directors A&A Green Phoenix Group JSC;

Member of the Board of Trustees of Phenikaa University;

Member of the Board of Directors of Nam Hung JSC;

Member of the Board of Directors of Vinh Thien Medical JSC.

Professional experience:

From April 12, 2019 – present: Member of the Board of Directors of Vicostone JSC;

From August 4, 2015 – April 12, 2019: Member of the Board of Supervisors of Vicostone JSC;

From October 2014 – August 2015: Assistant to General Director of Vicostone JSC;



From March 2010 – November 2010: Consultant executive of Applied Professional Training Corporation (Aprotrain).

- *Year of birth:* 1970
- *Professional qualifications:* Master of Economics
- *Titles at other companies:*

- *Professional experience:*


From 2016 – present: Chairman of HCH Thang Long Trade and Investment Co. Ltd.;

From 2006 – 2008: Officer of Hai Duong Ship Building Company;

From 2002 – 2005: Officer of Tradevico Co. under the Ministry of Transport;

From 1998 – 2001: Officer of Vietnam Coffee Corporation.

- Mr. Nguyen Quang Hung Head of Audit Committee
- Ms. Tran Lan Phuong Member of Audit Committee



Mr. Nguyen Quang Hung: Head of Audit Committee

(See Members of the Board of Directors)

Ms. Tran Lan Phuong: Member of Audit Committee

(See Members of the Board of Directors)

2.3. Board of Management, Chief Accountant

- | | |
|--------------------------|-----------------------|
| • Mr. Pham Tri Dung | General Director |
| • Mr. Luu Cong An | Vice General Director |
| • Mr. Nguyen Chi Cong | Vice General Director |
| • Mr. Dong Quang Thuc | Vice General Director |
| • Mr. Nguyen Quang Anh | Vice General Director |
| • Ms. Tran Thi Thu Huong | Vice General Director |
| • Ms. Nguyen Phuong Anh | Chief Accountant |


Mr. Pham Tri Dung: General Director

(See Members of the Board of Directors)

Mr. Luu Cong An: Vice General Director

- *Year of birth:* 1965
- *Professional qualifications:* Dynamics Engineer
- *Titles at other companies:*

Chairman the Board of Directors of Vietnam Stone Work-top Fabrication JSC;



Vice General Director - Member of the Board of Directors A&A Green Phoenix Group JSC;

Member of the Board of Directors of Vinh Thien Medical JSC.

- *Professional experience:*

From March 2007 – present: Vice General Director of Vicostone JSC;

From March 2007 – August 4, 2015: Member of the Board of Directors of Vicostone JSC;

From May 2005 – February 2007: Vice Director of Vinaconex Advanced Compound Stone JSC (now Vicostone JSC);

From December 2004 – April 2005: Manager of Bretonstone Workshop of Vinaconex Advanced Compound Stone JSC;

From October 2004 – November 2004: Manager of Technical Department of Vinaconex Advanced Compound Stone JSC;

From 2000 – October 2004: Vice Manager of Design Department of Song Cong Diesel Company.


Mr. Nguyen Chi Cong: Vice General Director

- *Year of birth:* 1981
- *Professional qualification:* Control Engineer
- *Titles at other companies:* N/A
- *Professional experience:*

From August 2017 – present: Vice General Director of Vicostone JSC;

From January 2013 – July 2017: Director of Style Stone JSC;

From June 2011 – December 2012: Director of Production Department of Style Stone JSC;



From September 2009 – May 2011: Vice Director cum Manager of Bretonstone Workshop of Style Stone JSC;

From January 2009 – August 2009: Director of Production Department of Vinaconex Advanced Compound Stone JSC (now Vicostone JSC);

From September 2004 – December 2008: Engineer of Vinaconex Advanced Compound Stone JSC.

Mr. Dong Quang Thuc: Vice General Director

- *Year of birth:* 1985
- *Qualification experience:* Master of Chemical Sciences, Master of Business Administration
- *Titles at other companies:* N/A
- *Professional experience:*

From May 2021 – present: Vice General Director of Vicostone JSC;

From August 2015 – May 2021: Manager of R&D Department of Vicostone JSC;

From April 2014 – August 2015: Vice Manager of R&D Department of Vicostone JSC;

From August 2008 – April 2014: Engineer of R&D Department of Vicostone JSC.

Mr. Nguyen Quang Anh: Vice General Director

- *Year of birth:* 1976
- *Professional qualification:* Construction Machinery & Material Handling Equipment Engineer
- *Titles at other companies:*

Chairman of the Board of Directors of Style Stone JSC;



Chairman of the Board of Members of Phenikaa Hue Mineral Processing and Investment One – Member Co. Ltd;

Chairman of the Board of Directors of Bao Toan A JSC.

- *Professional experience:*

From June 22, 2023 - present: Vice General Director of Vicostone JSC;

From August 2017 – June 2023: Director of Style Stone JSC;

From June 2016 – August 2017: Vice General Director of Vicostone JSC;

From July 2012 – June 2016: Director of Factory No.1 of Vicostone JSC;

From September 2009 – July 2012: Director of Quality of Vicostone JSC;

From July 2005 – September 2009: Supervisor of Crushing & Screening Factory of Vicostone JSC;

From January 2004 – July 2005: Engineer of Crushing & Screening Factory of Vicostone JSC.

Ms. Tran Thi Thu Huong: Vice General Director

- *Year of birth:* 1990

- *Professional qualification:* Master of Business Administration

- *Titles at other companies:*

Head of Market Research Division – A&A Green Phoenix Group JSC

- *Professional experience:*

From September 25, 2024 - present: Vice General Director of Vicostone JSC;



From June 2023 – September 2024: Head of Market Research Division of A&A Green Phoenix Group JSC;

From January 2022 – June 2023: Vice Head of Market Research and Product Marketing Strategy Management Division of A&A Green Phoenix Group JSC;

From September 2015 – June 2017: Executive of Marketing Division of A&A Green Phoenix Group JSC;

From June 2012 – September 2015: Executive of Sales Division of Vicostone JSC

Ms. Nguyen Phuong Anh: Chief Accountant

- *Year of birth:* 1986
- *Professional qualification:* Bachelor of Accountancy
- *Titles at other companies:* N/A
- *Professional experience:*

From August 2022 – present: Chief Accountant of Vicostone JSC;

From August 2015 – August 2022: Vice Manager of Finance and Accounting Department of Vicostone JSC;

From August 2010 – August 2015: Accountant of Vicostone JSC.

2.4. Changes in the composition of the Board of Directors, Audit Committee, Board of Management and Chief Accountant

Board of Directors

On April 12, 2024, Vicostone conducted the election of members to the Board of Directors for the 2025–2029 term. As a result, Ms. Le Thi Minh Thao was elected to the Board of Directors, in replacement of Mr. Pham Anh Tuan for the 2025–2029 term.



Audit Committee

Mr. Nguyen Quang Hung and Ms. Tran Lan Phuong continued to hold the positions of Head and Member of Audit Committee of Vicostone JSC.

Board of Management

On September 25, 2024 the Board of Directors of Vicostone JSC promoted Ms. Tran Thi Thu Huong as Vice General Director of Vicostone JSC.

Chief Accountant

In 2024, there was no change in the position of the Chief Accountant.



V. Overview of Vicostone's Sustainable Development Report 2024

2024 is the 11th consecutive year Vicostone has publicized Sustainable Development Report and the 6th year the Company has applied international standards for sustainable development reporting, continuing to reaffirm its commitment to enhancing transparency in operations, strengthening accountability to stakeholders, and deepening integration with international standards.

After two decades of development, since exporting its first batch of products to international markets in 2004, Vicostone has become one of the top three largest suppliers of engineered stone countertops globally, with a market presence in more than 50 countries across five continents, including demanding markets such as Europe, the Americas, and Japan.

The 2024 Sustainable Report continues to follow the approach of “substantive action, comprehensive integration,” focusing on key areas aligned with the ESG strategy pursued by the Company. The content not only highlights outstanding achievements but also demonstrates the integration of sustainable development across the entire operational system—from corporate governance, environmental management, supply chain and energy oversight, to employee care and technological innovation.

At the same time, the report clearly illustrates Vicostone's contributions to the social community through humanitarian programs, charitable activities, and local development initiatives, an important part of the strategy to build a responsible, reputable, and pioneering brand on the international stage.

Based on 3 pillars of ESG, Vicostone remains steadfast in its goal of creating long-term sustainable value, harmonizing corporate and societal interests, and striving towards a green, comprehensive, and responsible future.

1. Standards

GRI Standards is the most up-to-date set of standards for sustainable development report, developed by the Global Reporting Initiative to proactively manage and assess the implementation of its sustainable development commitments. As GRI Standards introduces a set of criteria that

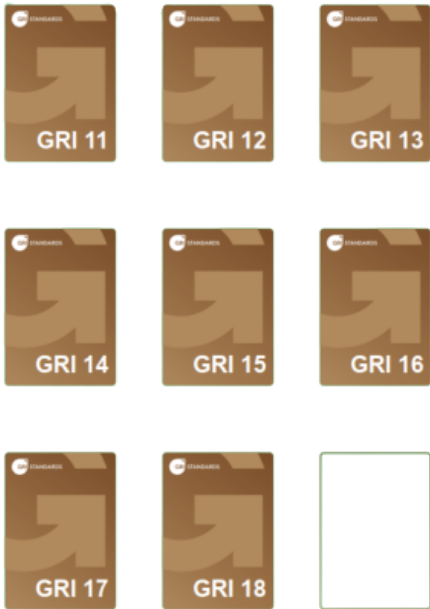
applies comprehensively and systematically, clearly outlining the economic, community, environmental impacts of an organization, Vicsostone has applied the standard in the sustainable development report since 2019. This is the basis for Vicsostone to identify the Company's strengths, limitations in sustainability, from which to select and improve specific criterion in each part of the business, harmonize the goals of economic and community development, contributing to the environment and the community. Vicsostone's Sustainability Report is a GRI-compliant report for the reporting period of January 1, 2024 - December 31, 2024. The contents of the report are updated according to the latest guidelines and requirements of the standard as of the date of writing this report.

GRI Standards

Universal Standards



Sector Standards



Topic Standards





2. Reporting principle

Vicostone's Sustainable Development Report is developed to report publicly on the Company's implementation of its sustainable development strategy. It is the reflection of Vicostone's proactive and positive approach to informing Investors, Shareholders, Customers, Employees and other stakeholders. This is among the important measures to develop a sustainable social ecosystem, one that is closely linked to Vicostone's business performance.

The report is developed annually to review and assess the Company's implementation of the sustainable development strategy, combined with feedbacks from stakeholders to take stock, and reassess performance over the course of the year, to develop plans and make the necessary adjustments in the following years.

Reporting principles for defining the report quality

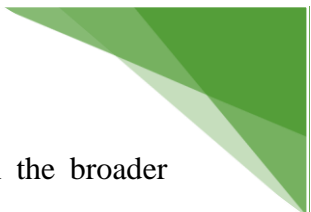
Accuracy: The report provides information that is consistent with other published reports of the Company; the data are measured by appropriate methods, ensuring that errors in the data measurement do not affect the conclusions or assessment of information users.

Balance: The organization must report information objectively, presenting both negative and positive impacts that the business has on the economy, environment and society.

Clarity: Information must be presented in the most accessible and understandable way; tables and graphics should be used to present visual, concise and easily understood information; avoid or minimize the use of abbreviations, jargons or technical terms...

Comparability: The organization needs to consistently select and report information so that it can analyze changes in the reported themes over time or compare the report content with other reported contents.

Comprehensiveness: The organization should provide adequate information about the impacts of the reporting period in accordance with the guidelines of the standards



Sustainable development context: Organizations should report their impacts in the broader context of sustainable development with reference to globally recognized and declared goals/standards...

Timeliness: The organization should report information on a regular basis and ensure the consistency in terms of the length of the reporting periods.

Reliability: The information provided by the organization must be comparable to verify the accuracy. The organization should use internal/external auditors to enhance the accuracy and reliability of the report.

3. Scope of the report

The data in the report is based on measurement results from functional units/departments of Vicostone JSC. Some other data such as the results of business performance and funding for social and community activities are consolidated figures of Vicostone and its subsidiaries or data from the Parent Company - Phenikaa Group. The Company will have notes on these figures in the content of the report. Financial data are referenced according to the data of the Financial Statements for 2024 audited by an independent auditor – Ernst & Young Vietnam Company, who has audited Vicostone's financial reports since 2012 to present.

The methods of measuring, synthesizing and analyzing data for Vicostone's Sustainable Development Report 2024 have not changed compared to the previous reporting periods; no information needs to be corrected/re-reported.

Reporting frequency: Once/annum

Reporting period: 01/01/2024 – 31/12/2024

Contact information

For all enquiries and recommendations related to Vicostone's sustainable development activities as well as the contents of the Report, please contact:



Board of Investor Relations

Tel: +84 24 3368 5826

Email: quanhecodong@vicostone.com

Address: Hoa Lac Hi-Tech Park, Hoa Lac Commune, Hanoi, Vietnam.

All responses will be invaluable contributions to allow us better understanding of the needs and wishes of stakeholders in the timeliest and quickest manner. The feedback will be the foundation for the Company to assess and adjust current strategies and sustainable development programs to ensure alignment of interests with stakeholders', and to best realize Vicostone's sustainable development strategy. 2024 is the 11th consecutive year Vicostone has publicized Sustainable Development Report and the 6th year the Company has applied international standards for sustainable development reporting, continuing to reaffirm its commitment to enhancing transparency in operations, strengthening accountability to stakeholders, and deepening integration with international standards.



B. SUSTAINABLE DEVELOPMENT STRATEGY

I. Vicostone's sustainable development strategy 2025 – 2050

1. Context and orientation for sustainable development

In the era of global green transition, sustainable development is no longer a choice, but a prerequisite for business survival. To meet environmental, social, and governance (ESG) requirements, Vicostone has defined sustainable development as a long-term strategy and commits to practical action for people, the community, and the planet.

As a key subsidiary of the Phenikaa Group, Vicostone is a pioneer in integrating ESG into its entire value chain. This aligns with the United Nations' 17 Sustainable Development Goals (SDGs), focusing specifically on five key SDGs:

- **SDG 3** - Good health and well-being - Ensure labor safety and comprehensive care for workers;
- **SDG 8** - Decent work and economic growth - Build a humane, creative and developmental work environment;
- **SDG 9** - Industry, innovation and infrastructure - Invest in automation, digital transformation and modern manufacturing technology;
- **SDG 12** - Sustainable consumption and production - Optimize resources, reduce waste, promote a circular economy model;
- **SDG 13** - Climate action - Implement the NetZero 2050 roadmap according to international standards such as ISO 14064, ISO 14067 and ISO 14068.

Our strategic message, “Vicostone - For a Green Future,” is a declaration of action that we integrate into every aspect of our production, innovation, and development, all for the sake of people and the planet.



2. Vicostone's sustainable development strategy

2.1. Vicostone's sustainable development principles and philosophy

Vicostone's sustainable development strategy is developed on long-term thinking, integrating business goals with environmental, social and governance responsibilities. The six core principles are:

- Integrate ESG comprehensively into our value chain;
- Balance economic, social, and environmental interests;
- Create shared values for all stakeholders;
- Uphold ethics, transparency, and responsibility;
- Align with the 17 UN Sustainable Development Goals (SDGs);
- Drive innovation to adapt and grow.

Sustainable development is the foundation for Vicostone to lead the way in the era of green transition.

2.2. Vicostone's ESG program vision


Pioneering the application of technology and innovation to create groundbreaking green, ecological, and smart materials with unique designs, optimal costs, and environmental friendliness.

Built on a foundation of transparent governance and a humane culture, Vicostone aims to create a happy, prosperous, and sustainable life for its employees, customers, the community, and the planet. Our three core directions are:

- High-quality, smart, green products;
- Transparent governance with comprehensive ESG integration;
- A joyful workplace and strong community engagement.

3. Vicostone's comprehensive ESG program

Vicostone's ESG approach is built on five strategic pillars:

- 
- 1) Eco-friendly technology & materials: Application of clean technologies, reuse of resources, and build high-efficiency, low-emission green factories;
 - 2) Sustainable value chain: Embrace a circular production model, implement ISO-GRI standards, and prioritize partnership with those who meet ESG criteria;
 - 3) Human-Centered ESG Culture: Integrate ESG values into training programs, employees' wellbeing, and communications to promote a green, responsible, and innovative lifestyle;
 - 4) Smart and green products: Our products feature designs inspired by nature, have earned international certifications such as EPD and CE, and are optimized to reduce emissions throughout their lifecycle;
 - 5) Digitized ESG Governance: Integrate ESG management into our Enterprise Resource Planning (ERP) and Balanced Scorecard (BSC) systems and real-time digital data.

4. Goals and action plan towards 2050

Realizing a comprehensive ESG strategy - Aiming for NetZero:


Sustainable development is not only a social responsibility, but has also become a vital strategy and long-term competitive advantage for Vicostone. The Company has identified ESG implementation as a continuous journey including three strategic phases: Standardization - Acceleration - Neutralization. This approach is designed to gradually realize the goal of achieving NetZero emissions by 2050.

4.1. Phase 1: 2025-2030 - Establishing the foundation & standardizing ESG

Vision: Develop a robust ESG governance system, establish baseline indicators, and integrate ESG into operations and corporate culture

4.1.1. ESG Pillar Targets

Environment	<ul style="list-style-type: none"> • Reduce GHG emissions by $\geq 15\%$ (compared to 2024); • $\geq 30\%$ of products use recycled or environmentally friendly materials; • $\geq 15\%$ of energy consumed from renewable sources;
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	<ul style="list-style-type: none"> • $\geq 90\%$ of waste is reused, moving towards circular production.
Social	<ul style="list-style-type: none"> • Maintain Top 100 sustainable businesses (CSI – VCCD); • Implement ≥ 6 welfare programs to improve employees' lives; • $\geq 60\%$ women in middle and senior management positions; • Implement ≥ 6 community projects on education, environment, and healthcare.
Governance	<ul style="list-style-type: none"> • Comply with GRI, IFRS, and CDP standards, and achieve ISO 27001 certification on Information security management systems (ISMS); • Integrate ESG KPIs into our ERP, BSC, and supply chain; • Publish transparent ESG reports in accordance with GRI and TCFD standards; • Establish a cross-functional ESG department and organize regular dialogues with stakeholders.

4.1.2. Key actions


- Build an international standard ESG governance system (GRI, ISO 14001/45001/50001);
- Conduct a GHG emissions inventory for scope 1–2–3, and establish a base year;
- Train 100% of middle and senior managers on ESG, NetZero and the circular economy;
- Integrate ESG into our operational performance indicators and internal culture.

4.2. Phase 2: 2030-2040 - Acceleration & efficiency optimization

4.2.1. ESG pillar targets

Vision: Enhancing ESG effectiveness across all operations, expand global partnerships, and amplify our positive impact.

Environment	<ul style="list-style-type: none"> • Reduce GHG emissions/m² of product by $\geq 50\%$; • $\geq 95\%$ of raw materials domestically sourced with ESG traceability;
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	<ul style="list-style-type: none"> • Increase the proportion of renewable energy in production; • $\geq 90\%$ materials to be recycled or reused.
Social	<ul style="list-style-type: none"> • 100% of employees are trained in ESG, innovation, and green transitions; • Implement a happy and humane working environment policy; • Expand community projects according to the co-creation model.
Governance	<ul style="list-style-type: none"> • Incorporate ESG into internal audit and independent monitoring systems; • Build a strategic level of ESG practice; • Participate in global initiatives: UN Global Compact, VBCSD, SBTi.

4.2.2. Key actions


- Increase renewable energy consumption;
- Prioritize suppliers with ESG certifications (GRI 308/414);
- Recycle by-products of grinding stone powder, packaging, circulating water, etc. according to the circular production model;
- Integrate ESG comprehensively.

4.3. Phase 3: 2040-2050 - Comprehensive integration & carbon neutrality

4.3.1. Comprehensive objectives

Vision: Becoming a green, smart, and humane material manufacturing enterprise that meets comprehensive ESG standards and respective carbon neutrality.

Pillar	Target by 2050
Environment	<ul style="list-style-type: none"> • Achieve NetZero emissions; • Use $\geq 50\%$ recycled materials in products. • Reduce energy consumption per square meter by $\geq 30\%$
Social	<ul style="list-style-type: none"> • Provide a safe and happy working environment;



	<ul style="list-style-type: none"> • 100% of employee receive ESG training.
Governance	<ul style="list-style-type: none"> • Publicize periodic GRI/TCFD reports. • Implement ESG KPIs across the entire value chain. • Establish a comprehensive, independent sustainable development council.
Innovation	<ul style="list-style-type: none"> • Invest $\geq 3\%$ of annual revenue in R&D. • Launch ≥ 1 new green product line annually. • File for annual ESG-related patents.

4.3.2. Key actions

- Achieve carbon neutrality certification under ISO 14068 with independent verification
- Implement smart, automated, zero-emission factories;
- Ensure 100% of products meet green standards;
- Expand the ESG system throughout Phenikaa Group and its associated ecosystems;
- Establish Vicostone as a pioneering ESG enterprise in the regional material industry.

5. Action slogan & strategic conclusion

5.1. Action slogan

“Vicostone - For a Green Future”

This is not just a communication slogan, but a strategic and cultural declaration of Vicostone. It demonstrates the spirit of innovation, responsibility, and sustainability throughout the entire development orientation of the enterprise. Moreover, it shows a long-term commitment to action for the prosperity of people, the development of the enterprise and the life of the planet. It is the crystallization of the pioneering aspiration, social responsibility and the mission of innovating the materials industry towards an ecological and sustainable direction.



5.2. Strategic conclusion

Vicostone's strategy for the 2025–2050 period is built upon a long-term mindset with ESG at its core, closely integrated with:

- Technological innovation and digitalized governance;
- The development of ecological, intelligent, and differentiated products;
- A responsible, humane, and happy corporate culture;
- A green, circular, and efficient value chain.

This journey is not only about adapting to global challenges but also serves as a driving force for Vicostone to create tangible and sustainable value for all, including: all the community, and society.

Vicostone is not just striving for growth; but building a green, sustainable for present and future generations.



II. Vicostone's value chain

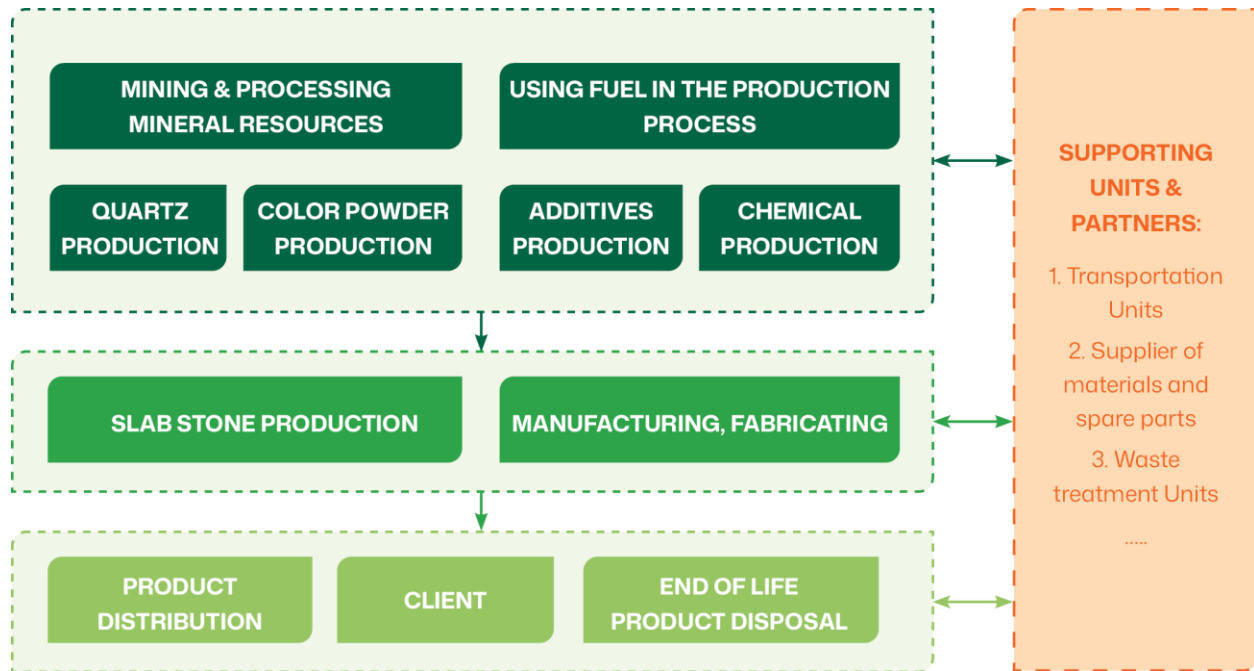
Integrating ESG across Vicostone's entire chain – Optimizing value – Moving towards NetZero 2050.

1. Vicostone's value chain overview

Vicostone has established a closed-loop value chain guided through the sustainable development principles of integrating international Environmental, Social, and Governance (ESG) standards. Our operational mindset not only optimizes production and business efficiency but also prioritizes reducing emissions, conserving resources, and managing environmental and social impacts throughout its entire product lifecycle.

Vicostone applies the "4I" strategic framework (Internalization, Integration, Innovation, and Impact Tracking) as the foundation for managing its supply chain from upstream to downstream. This approach enables us to progressively achieve our NetZero 2050 goal and transform into an internationally competitive eco-friendly materials enterprise.

2. Vicostone's value chain structure



Value chain model

2.1. Utilizing & supplying raw materials

Vicostone takes input materials as a strategic link within its sustainable value chain. The Company proactively builds its supply chain to be autonomous, integrated, and to ensure comprehensive ESG control.

- Primary sources include Quartz, Cristobalite, and Resin from within the Phenikaa Group's supply chain;
- Over 65% of raw materials are directly controlled, and more than 95% are localized, which reduces dependency, increases stability, and improves traceability;
- Upstream ESG management involves periodic supplier evaluations, adherence to a code of conduct, and prioritizing partners who meet ISO standards and are committed to emission reduction;
- Achieved efficiency: A transparent, stable, and flexible supply chain, creating a competitive advantage and a foundation for realizing NetZero 2050.



2.2. Manufacturing & fabrication - Where innovation meets sustainability

At Vicostone, manufacturing isn't just about creating products; it's a process where modern technology, green innovation, and comprehensive ESG Management converge. With a system of two international-standard factories, the Company operate our production chain using an integrated vertical model, ensuring consistent quality, optimized resources, and minimization of environmental impacts.

Key highlights:

- Recycling of by-products and grinding sludge as raw materials which conserves natural resources;
- 100% recycling of production water with an aim to reduce fresh water consumption;
- Optimization of energy and CO₂ emissions according to ISO 50001, 14064, and 14067 standards.
- Vicostone consistently applies international management systems (ISO 9001, 14001, 45001, SA8000, EPD...) and maintains global green certifications such as GREENGUARD, NSF, ensuring products are safe for health and environmentally friendly to the planet.

Achieved results make differences:

- Higher productivity, lower consumption, reduced emissions;
- Humane, safe and cohesive working environment;
- Vicostone's products meet global standards and inspire sustainable lifestyles.

100% of factories within our value chain undergo greenhouse gas (GHG) emission inventories according to ISO 14064.

2.3. Distribution & customers - Sustainable connection, spreading value

Vicostone optimizes its distribution system in both domestic and international markets, combining after-sales service and specialized technical support to enhance customer experience and affirm its global brand position.



Distribution & Logistics:

- An expanding distribution network in the U.S., Canada, and other regions, partnering with logistics providers both within and outside the Phenikaa ecosystem;
- Management software to track routes, fuel consumption, and CO₂ emissions;
- Prioritize partners who use energy-efficient vehicles and have a roadmap to reduce logistics emissions by at least 10% by 2030, in line with ISO 14064 standards.

Customers & After-Sales:


- Diversified segments from distributors, general contractors, and architects to end consumers;
- Comprehensive technical support range from selection consultation, installation guidance, and maintenance to end-of-life product handling based on emission reduction and recycling principles;
- Established feedback and satisfaction survey systems help us continuously improve our products and services.

ESG management in consumption:

- Serving a wide range of customers from distributors, general contractors, architects to end consumers;
- Transparent product information through EPD, MSDS, QR code for traceability;
- Instructions for safe use and construction, limiting dust, waste and noise;
- Developing green logistics through increased maritime transport, using reusable containers, and targeting environmentally friendly Scope 3 supply chain.

2.4. End-of-life management – Closing the value chain, expanding responsibility

Driven by a commitment to sustainable development and a circular economy model, Vicostone proactively manages the entire product lifecycle from design and production to usage and post-



consumer recycling. This approach aims to minimize construction waste and maximize resource value.

Product life cycle design

Vicostone's engineered quartz products are highly durable, lasting decades in both residential and commercial projects; however, proper disposal and reuse are crucial to reduce negative environmental impacts.

Implementation of effective recycling models:


- Internal recycling through recovered by-products, grinding sludge, and other materials while reintegrating them back into our production process. In 2024, 44 out of 130 recovered products had been successfully recycled, significantly reducing costs and solid waste;
- Open-loop recycling through collaboration with external partners to repurpose used Vicostone materials in industries such as cement, ceramic tiles, and foundation building materials, etc.

ESG integration & consumer engagement

- Usage and recycling guidelines are provided through technical documents and consulting on post-use stone handling, safe dismantling procedures, and waste sorting;
- Traceability and Lifecycle Assessment (LCA) by progressively implementing ISO 14067 and integrating QR codes to inform end-users with recommended recycling information;
- Outlook to 2030 targets include that at least 90% of by-products should be recycled or reused, and at least 30% of our products incorporate recycled materials and sustainable lifecycle designs.

2.5. Supporting partners – Collaborating for a sustainable value chain

Behind Vicostone's efficiently operated and sustainable value chain is the collaborative support of an ecosystem of partners, ranging from logistics and technical support to environmental services.



These partnerships are not merely based on commercial efficiency, but also deeply integrate ESG standards, legal compliance, and business ethics.

Three key supporting pillars:


- The Green logistics: responsible for domestic and international transportation including Scope 3 emission tracking. The Company prioritizes partners who use fuel-efficient vehicles or transition to renewable energy;
- The Equipment, Technology and Maintenance: provides machinery, spare parts, troubleshooting issues, and extending the lifespan of our production lines. Vicostone requires transparency regarding origin, quality, and safety documentation (MSDS, ISO);
- The Environment and Waste Management Group handles solid and hazardous waste, and manages internal recycling. They also collaborate with Vicostone on product recovery programs, emission reduction, and resource reuse.

Principles of transparent and sustainable cooperation:

- Vicostone establishes a clear and transparent cooperation mechanism with partners:
- Signing long-term contracts that include binding ESG responsibilities;
- Periodic evaluation of capacity, legal compliance, environmental and social impact;
- Implementing a Supplier Code of Conduct which requires:
 - No use of forced/child labor;
 - Full compliance with environmental protection regulations;
 - Transparent provision of certifications such as MSDS, ISO, SA8000, and other such regulations.

Performance & Orientation toward 2030

- 2024: Over 85% of partners assessed as ESG-compliant.
- By 2030:
 - 100% of logistics and environmental partners certified with ISO 14001;
 - ESG and Scope 3 integrated as mandatory criteria in supplier assessments;

- 
- Development of a digital partner management platform, fully integrated with the ERP system and the ESG dashboard across the entire ecosystem.

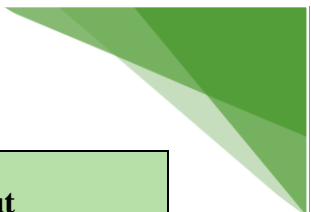
Conclusion

Vicostone is progressively improving and upgrading its integrated value chain to be green and digital, encompassing the entire product lifecycle from raw material extraction, production, and distribution, to post-consumer recycling and reuse. Built on comprehensive ESG governance, modern technology, and an innovative spirit, Vicostone's value chain not only ensures operational efficiency but also creates sustainable value for the environment, customers, and the community. This is a strategic pillar that helps Vicostone achieve its NetZero 2050 goal, while affirming its pioneering role in building a globally competitive, smart, and eco-friendly materials ecosystem.

III. Identification of material topics

Vicostone's process for identifying material topics


No.	Step	Purpose	Output
1	Identify material topics related to sustainable development at the national and global levels and within the construction materials manufacturing industry level	<ul style="list-style-type: none"> - Analyze challenges and opportunities related to sustainable development; - Research and select global and industry-specific sustainable development initiatives in the construction materials sector. 	A list of identified impact areas and aspects across all three ESG pillars (Environmental, Social, and Governance) to fully reflect the factors influencing Vicostone's operations and sustainable development commitments.
2	Consultation with specialized departments/ units	<ul style="list-style-type: none"> - Evaluate issues related to sustainable development based on material topics, benchmarking them against Vicostone's actual implementation via its sustainable development strategy, goals, and risk management systems. - Analyze Vicostone's impact across the entire value chain to clarify the company's responsibilities and contributions to sustainable development. 	Topics and aspects directly related to the value chain include: Employment, Occupational Health and Safety, Market Presence, Economic Performance, and Anti-Competitive Behavior...



No.	Step	Purpose	Output
3	Identify stakeholders	<ul style="list-style-type: none"> - Review and establish a list of stakeholders who impact and are impacted by Vicostone's sustainable development activities. - Assess the importance from the Board of Directors' perspective and identify key stakeholders to build an effective engagement strategy. 	The list of stakeholders includes: shareholders and investors, employees, partners and suppliers, customers, local community, ESG experts from external consulting firms, etc.
4	Survey stakeholders to identify material topics	Document input from stakeholders on the importance of material topics to help Vicostone determine a clear direction.	<ul style="list-style-type: none"> - A synthesis of the results from the materiality assessment, which include: - The impact level on Vicostone and the level of impact on the environment and community. - Vicostone's current performance on each criterion. - The sustainable development issues that Vicostone needs to focus on in the coming years.

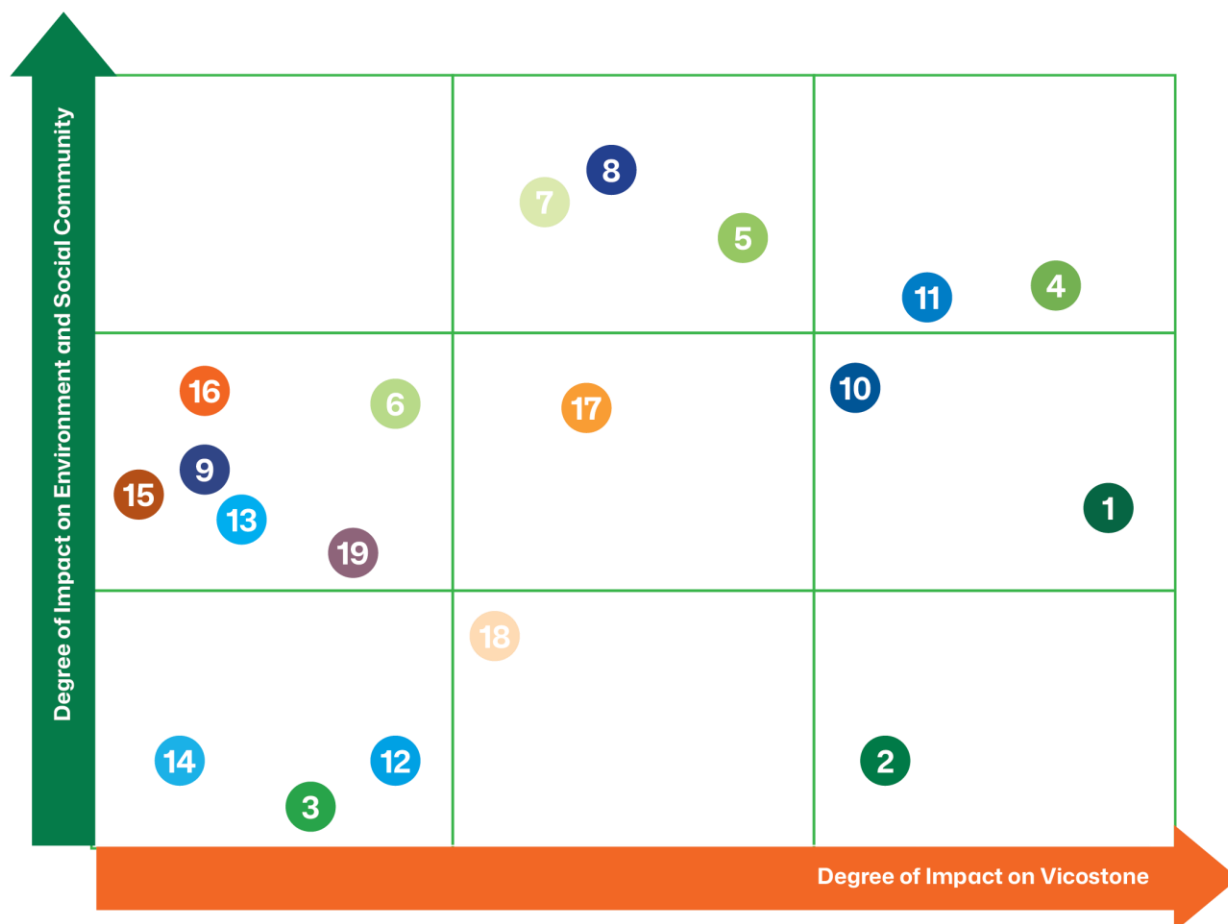


No.	Step	Purpose	Output
5	Analyze data and develop the materiality matrix	<ul style="list-style-type: none"> - Assess Vicostone's level of control and influence over sustainable development criteria across the entire value chain to determine the scope of impact and corresponding responsibilities. - Analyze the interconnections between sustainability aspects to evaluate their level of influence, which helps in prioritizing and allocating resources effectively. - The analysis results are synthesized and visualized through a materiality matrix diagram. 	The list of material topics, categorized into three groups ranked from high to low priority.
6	Alignment among company leadership, ESG Department members, and relevant departments.	Develop and refine short-term and long-term sustainable development goals and action strategies based on the identified material topics list.	<ul style="list-style-type: none"> - Sustainable development policies and commitments for each material topic. - Specific goals and action strategies.



No.	GRI Standard Reference	Main Content of the Standard	Corresponding SDGs
1	201	Economic Performance	1, 5, 8, 9
2	202	Market Presence	8, 10
3	206	Anti-competitive Behavior	16
4	301	Materials	12
5	302	Energy	7, 8, 12, 13
6	303	Water and Effluents	6, 12
7	305	Emissions	12, 13
8	306	Waste	12, 14, 15
9	308	Supplier Environmental Assessment	12, 17
10	401	Employment	8, 5, 10
11	403	Occupational Health and Safety	3, 8, 16
12	404	Training and Education	4
13	405	Diversity and Equal Opportunity	5
14	407	Freedom of Association and Collective Bargaining	8, 16
15	409	Forced or Compulsory Labor	8, 16

No.	GRI Standard Reference	Main Content of the Standard	Corresponding SDGs
16	413	Local Communities	1, 3, 11, 17
17	416	Customer Health and Safety	3, 12
18	417	Marketing and Labeling	12
19	418	Customer Privacy	8, 16



Vicostone 2024 materiality matrix

IV. Active participation in associations for Corporate Sustainable Development

Vicostone has determined that a sustainable development goal could only be owed to the shared effort of businesses and organizations. This is why in recent years Vicostone has maintained its active membership in organizations/ associations that commit to green production and environmental friendliness in Vietnam and abroad, including:

❖ World-wide Agglomerated Stone Manufacturers Association (A.St.A.)

The World-wide Agglomerated Stone Manufacturers Association consists of global leading producers of engineered quartz stones.

The goal of the Association is to promote the growth and development of the industry of engineered stone production and support, protect and represent its members in related matters.


As a member of the Association since 2015, in recent years Vicostone has complied with the principles of the latter through its activities in ensuring occupational safety and health for its workers; applying recycled materials, utilizing wastes in the whetting process of unburnt brick production; and developing eco-friendly product lines.

❖ The United States Green Building Council (USGBC)

The United States Green Building Council (USGBC) was founded in 1993 as a non-profit organization that promotes sustainable design, construction and operation of buildings.

The USGBC is well-known for developing the Leadership in Energy and Environmental Design (LEED) scoring standard and the annual International Conference on Green Building. USGBC is one of the eight national councils that founded the World Green Building Council (WorldGBC).

The WorldGBC is tasked with developing systems for the evaluation and certification of green buildings in various countries and territories. The Council comprises of organizations and individuals who are profoundly interested in climate change and environmental protection.



As the third largest supplier of engineered-stone countertops to the global market and an active member of the WorldGBC, Vicostone places great importance on the application of energy-saving measures, utilization of recycled materials, environmental protection, and development of eco-friendly product lines.

❖ **The Vietnam Green Building Council (VGBC)**

The Vietnam Green Building Council (VGBC) is a project of the Green City Foundation (GCF), a non-profit organization headquartered in California, the U.S. The Council was founded in 2007 in Vietnam to raise awareness and improve the capacity of Vietnamese companies and people in developing green buildings in the country.

❖ **Vietnam Association for Building Materials**

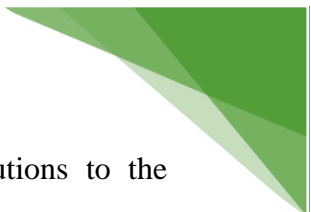
The Vietnam Association for Building Materials is the aggregation of a multitude of scientific scholars and businesses in the building materials industry.

The primary focus of the Association is the dissemination of information related to science, technology and technical improvement initiatives; the assessment of new materials and products; the organization of trade fairs, exhibitions within and outside the country; provision of advice, rebuttals and social appraisals; and proposal of solutions to protect the interests and enhance the competitiveness of its members.

As a member of the association since 2004, Vicostone has actively participated in the association's activities to advance the sustainable development of the building materials industry in Vietnam.

❖ **The Hanoi Association of Main Industrial Products (HAMI)**

The Hanoi Association of Main Industrial Products (HAMI) was launched on October 29, 2021, in Hanoi to gather the city's key industrial producers, protect their rights and interests, and support their efficient operations, thus contributing to the city and country's socioeconomic growth.



As a member of the association, Vicostone has and will make great contributions to the development of the Capital city and Vietnam as well as enhancing the Vietnamese brands on the international market.

❖ **Saigon Construction & Building Material Association (SACA)**

Established 32 years ago, SACA Association operates as a platform of connections and promotion of trade among its individual and organizational members. SACA's members are mostly leading enterprises in the field of construction, building materials, architecture, and real estate in Ho Chi Minh City.

As an official member of SACA, VICOSTONE will actively pursue the Association's vision, which is to contribute to Vietnam's socio-economic development.



C. SUSTAINABLE GOVERNANCE

I. Sustainable development governance structure

Lean, Flexible, Efficient

Vicostone is determined to pursue sustainable development based on the harmony between economic growth, environmental protection, and social responsibility. To realize this commitment, the Company has established a three-level ESG governance system, closely integrated with the overall sustainable development strategy of Phenikaa Group and the entire operational value chain.

1. Three-level management model

Phenikaa Group level - Strategic direction

- Phenikaa Group's ESG Committee: provides strategic direction, and coordinates and connects member companies towards the Group's NetZero - ESG goals;
- Phenikaa Group's Sustainable Development Committee: provides strategic advice, conducts independent oversight, evaluates ESG risks, and ensures consistent compliance across the entire system.

Subsidiary level - Deployed at Vicostone

- Vicostone's ESG BOMs: plans, oversees, and tailors the implementation of ESG across the three pillars (Environmental - Social - Governance) to the Company's specific production and business characteristics;
- Functional Departments and Divisions: integrate ESG into operations (production, finance, human resources, procurement, etc.) to ensure data linkage, provide regular reports, and facilitate multi-directional coordination.

Implementation level: Value chain and partners

- Manufacturing units, suppliers, and distribution partners: apply ESG standards across its entire supply, extraction, logistics, and sales chain. They prioritize partners with international ESG certifications to contribute to building a green, circular value chain.

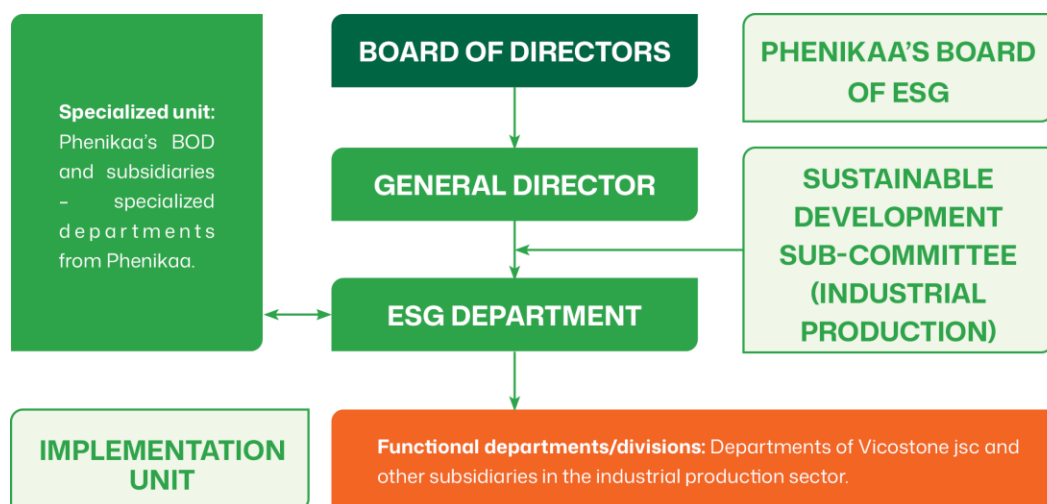
2. ESG operating principles

The ESG framework at Vicostone is organized and operated according to 4 core principles:

- Strategic integration & end-to-end operations: incorporate ESG as an integral part of all processes from planning and production to monitoring and improvement;
- Clear decentralization & flexible coordination: responsibilities are transparently defined across all levels, with close coordination between vertical (Group, Company, Branches) and horizontal structures, i.e., departments and divisions;
- Transparency & standardized measurement: ensures quantitative ESG KPIs are applied according to GRI standards, with periodic public disclosure and independent verification;
- Data digitalization & real-time decision making: employ digital technology to collect, analyze, and visualize data (GHG, resources, risks, initiatives, etc.), supporting fast, accurate, and transparent decision-making.

Statement

ESG is not just a system, but is embedded in Vicostone's operational culture, where every individual and unit act towards the shaping of a sustainable future.



II. HSEQ Integrated management system

Integrate Quality – Environment – Occupational Health & Safety towards comprehensive sustainability

1. General introduction


With a strong commitment to sustainable development, Vicostone has developed and operated an integrated HSEQ management system (Occupational Health & Safety – Environment – Quality) aligned with international standards. The system not only ensures compliance with legal requirements but also optimizes production efficiency, manages risks, protects people and the environment, and fosters a culture of continuous improvement across the entire value chain.

2. HSEQ standards and certifications

In 2024, Vicostone continued to strengthen its integrated HSEQ management system through technological innovation, process improvement, and an expanded social commitment.

The Company officially implemented the ISO 50001:2018 Energy Management System and obtained certification in January 2025, marking a significant milestone in its green transformation journey.

Standards	Date of registration	Date of latest update	Date of validity	Certification No.	Certification Agency
ISO 9001:2015	05/11/2005	18/10/2024	18/10/2024	VN012561	Bureau Veritas Vietnam
ISO 14001:2015	25/10/2006	18/10/2024	18/10/2024	VN012624	Bureau Veritas Vietnam



Standards	Date of registration	Date of latest update	Date of validity	Certification No.	Certification Agency
ISO 45001:2018	20/10/2015	18/10/2024	18/10/2024	VN012560	Bureau Veritas Vietnam
SA 8000:2014	21/12/2010	20/12/2022	20/12/2022	VN009660	Bureau Veritas Vietnam
ISO 50001:2018	13/01/2025	13/01/2025	13/01/2025	44 764 25 94 0001	TUV NORD Vietnam

3. Continuous Quality Improvement through the Integrated HSEQ Management System

3.1. ISO 9001 Quality Management System

Vicostone maintains and enhances its quality management system in line with ISO 9001:2015 to ensure product consistency and meet the stringent requirements of global markets. Key achievements:

- Optimized processes, reduced production errors, and improved customer experience;
- Clear accountability for quality control at every stage;
- Standardized internal documentation system to support training and organizational knowledge sharing.



3.2. ISO 45001 Occupational Health & Safety Management System

Employee's safety and health remain top priorities. The ISO 45001:2018 framework helps Vicostone establish a sustainable safety culture with active employee participation.

Key highlights:

- Conducted occupational risk assessments and implemented proactive preventive measures.
- Enhanced social dialogue, consultation, and worker engagement.
- Continuous training and communication programs to raise safety awareness.

3.3. ISO 14001 Environmental Management System

The ISO 14001:2015 system enables Vicostone to manage environmental impacts and ensure compliance with regulatory requirements.

Achievements in 2024:

- Controlled greenhouse gas emissions throughout production.
- 100% of process water was treated and recycled.
- Transparent monitoring of environmental data to support traceability and disclosure of emissions under ISO 14064–14067.

3.4. SA 8000 Social Accountability System

By integrating SA 8000, Vicostone safeguards employee rights and maintains a fair and responsible working environment. Commitments include:

- No child labor or forced labor.
- Fair wages, working hours, and safe working conditions.
- Promotion of equality, freedom of association, and responsible corporate culture.



3.5. ISO 50001 Energy Management System

In 2024, Vicostone achieved certification for ISO 50001:2018, reaffirming its pioneering role in green materials.

Key results include:

- Energy savings through rooftop solar power, replacing diesel forklifts with electric forklifts, and improved maintenance and monitoring of equipment to reduce energy loss and downtime.
- Enhanced competitiveness and brand reputation, earning recognition as a “Sustainable Business” for achievements in governance and green transition.

4. Conclusion

In 2024, Vicostone’s HSEQ management system achieved significant milestones, making practical contributions to its comprehensive sustainability goals. With an innovative mindset and a clear ESG commitment, Vicostone continues to:

- Advance technology and improve operational efficiency.
- Protect the environment and conserve resources.
- Ensure occupational health and safety.
- Promote a culture of social responsibility across the production ecosystem.

Looking ahead, Vicostone will further enhance its governance system towards integration, flexibility, and full digitalization, laying a solid foundation to realize its NetZero 2050 vision and affirm its position as a pioneering ESG enterprise from Vietnam on the global stage.



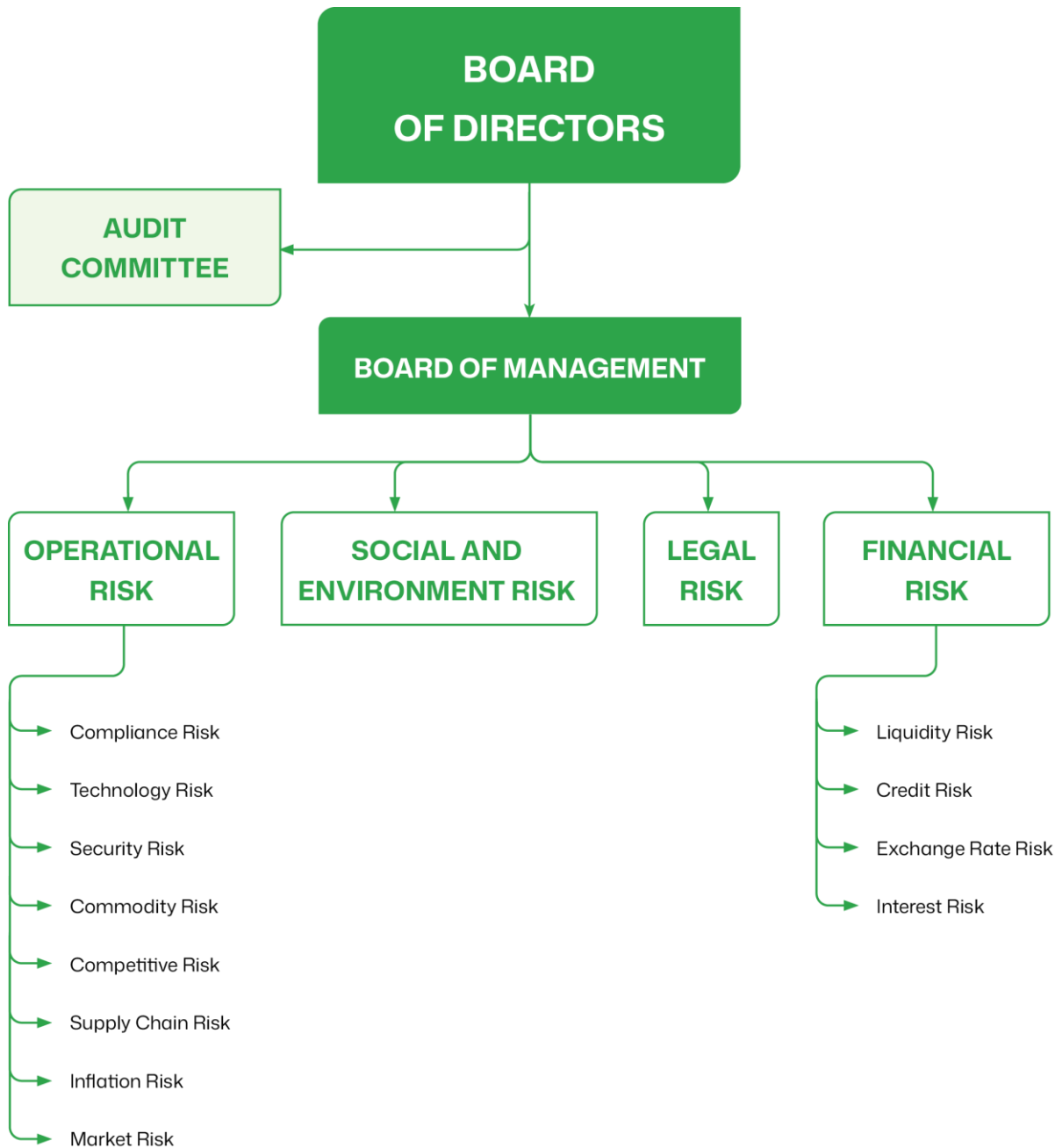
III. Risk Management

1. Risk management objectives

Vicostone identifies risk management as a fundamental governance principle that aligns with the company's strategy and sustainable development plans at all stages. The Executive Board prioritizes the implementation of various management and control measures to minimize the negative impact of both internal and external risks on Vicostone's business operations. The company's risk management efforts focus on the following objectives:

- Safeguarding Vicostone from, or mitigating the impact of, adverse economic, environmental, and social fluctuations, while proactively preventing potential risks and minimizing losses at all times;
- Ensuring compliance with regulatory requirements. As the legal environment grows increasingly complex, both in Vietnam and in Vicostone's key markets, effective risk management mechanisms facilitate regulatory adherence and enhance compliance monitoring;
- Develop and foster a risk management culture within the organization, ensuring that every officer and employee has a clear understanding and awareness of their individual responsibilities in risk management. Assigning responsibilities for risk management to individuals directly impacts employee engagement and, consequently, enhances labor productivity and work efficiency.

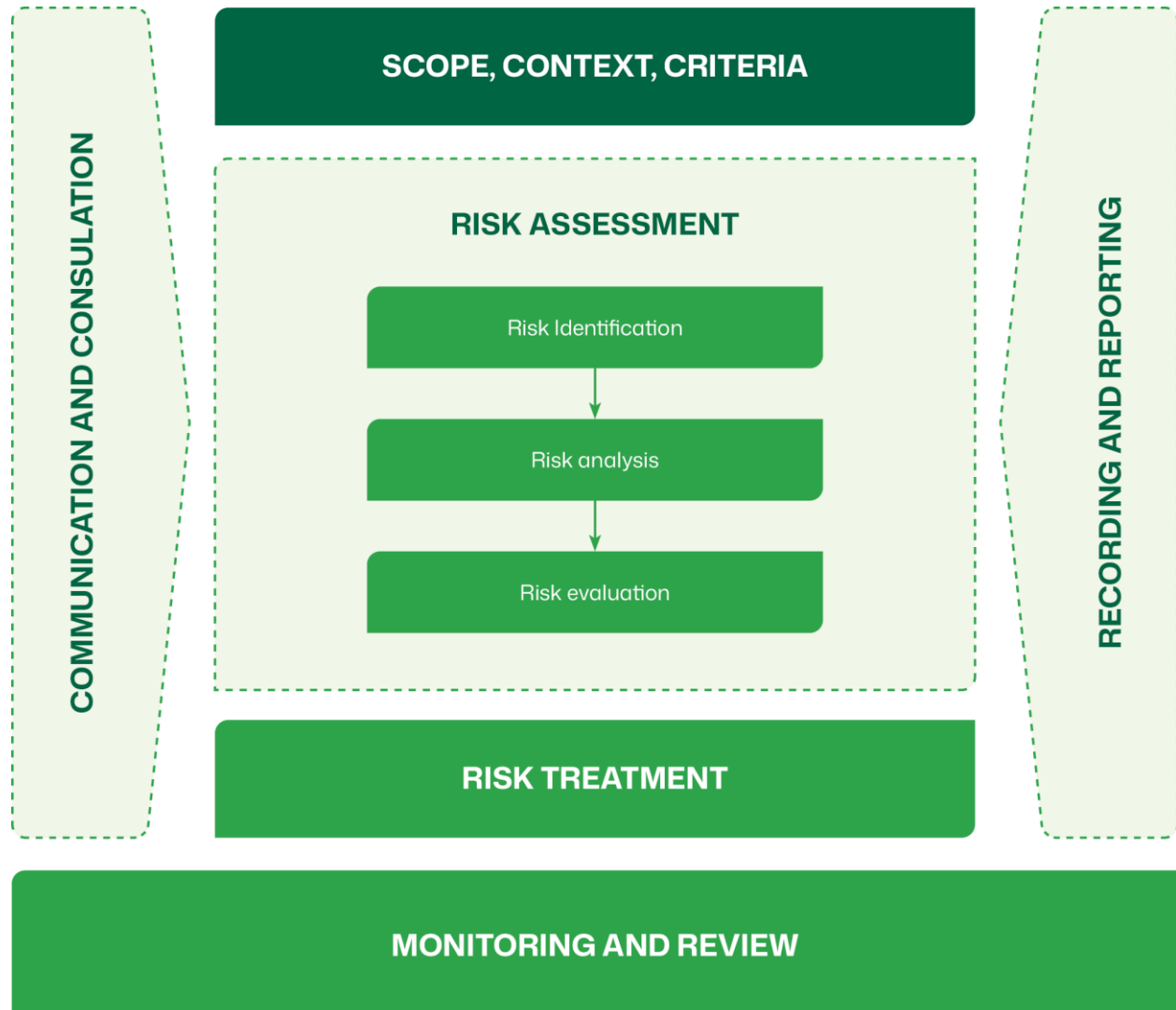
2. Risk management structure



3. Risk management process

The risk management process at Vicostone is structured based on the flexible application of ISO 31000 standards and the COSO ERM framework. This approach ensures the effectiveness of the


cyclical loop of risk management system establishment, operation, integration, and continuous improvement.



4. Key risk categories for 2025

4.1. Risk of unpredictable global economic fluctuations

According to the latest forecast from the Organization for Economic Cooperation and Development (OECD) in March 2025, global GDP growth is expected to slow down from 3.2% in 2024 to 3.1% in 2025 and further decline to 3.0% in 2026. The real GDP growth of the United



States is also projected to decelerate compared to the recent strong expansion, from 2.8% in 2024 to 2.2% in 2025 and 1.6% in 2026¹.

In the Eurozone, real GDP growth is projected to be 0.7% in 2024, 1.0% in 2025, and 1.2% in 2026 amid heightened uncertainty².

Building on the positive economic growth achieved in 2024, the National Assembly has issued a resolution on the socio-economic development plan for 2025, setting a GDP growth target of 6.5% to 7%. In a more ambitious directive, the Prime Minister has called for stronger efforts and breakthroughs, aiming to raise GDP growth to approximately 8% in 2025³.

In response to the volatility of the global economy in general, and Vietnam's economy in particular, Vicostone has proactively developed multiple business scenarios and plans early in the year to cope with economic fluctuations; focused resources on researching and developing new products to meet the demands and regulations of various markets; continuously innovating production lines to modernize manufacturing technology, diversify products, optimize production efficiency; and promoting the development and expansion of sales channels and sales policies suitable for different customer groups in global markets.

4.2. Risk of increased competition pressure


4.2.1. Competition from industry rivals

In the U.S. market, one of Vicostone's largest export markets, there has been a significant increase in the number of quartz-based engineered stone production lines. A total of 17 production lines have been established by seven manufacturers. The number of production lines is expected to increase significantly in the near future. According to statistics from the United States International Trade Commission (USITC), top countries by the value of exports (in m2 volume) to the U.S. include India, Vietnam, Spain, Thailand, and Turkey.

¹ https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-march2025_89af4857-en.html

² https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-march2025_89af4857-en.html

³ <https://xaydungchinh sach.chinhphu.vn/kinh-te-viet-nam-2024-tang-toc-thanh-cong-tao-dacho-nam-2025-ve-dich-119250106100813238.htm>



In the domestic market, Vietnam's engineered stone manufacturing industry has experienced significant growth, attracting numerous enterprises. Most of these companies utilize Chinese production lines, resulting in mid-range product quality. Only a few domestic manufacturers have invested in advanced technology to produce highly competitive products. Local competitors often adopt price-cutting strategies to attract customers, especially as consumers increasingly prioritize affordability. This presents a challenge for Vicostone in maintaining the premium market positioning while ensuring competitiveness.

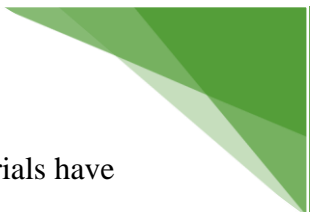
In response to the intensifying competition, Vicostone has implemented strategic initiatives to strengthen the position and sustain long-term growth. The Company remains committed to enhancing product quality through continuous research and development while expanding distribution channels in key markets to improve customer experience. Vicostone adopts a flexible pricing policy, offering after-sales services and promotions to increase product value. Additionally, the Company reinforces collaboration with construction industry partners and leverages incentive policies to optimize costs. By streamlining production processes and maintaining sound financial management, Vicostone ensures profitability and agility in a fluctuating market. Furthermore, the Company is focused on building a strong brand presence and expanding its global footprint to drive sustainable growth.

4.2.2. Competition from substitute products

Recently, engineered stone primarily competes with natural stone in most markets, particularly in Australia, Canada, and the U.S. In recent years, engineered stone has also faced competition from porcelain and sintered stone in mid-to high-end domestic applications.

In developed countries, engineered stone is predominantly used in residential kitchen installations. However, the demand for various materials has significantly increased in recent years, specifically:

- In kitchens, engineered stone competes primarily with natural stone and other high-end materials such as porcelain slabs, sintered stone, stainless steel, concrete, and recycled materials;

- 
- In bathrooms, engineered stone directly competes with granite, as both materials have dominated the market in recent years, especially in the U.S.

Porcelain is expected to be the fastest-growing countertop product globally, despite its small scale. According to a forecast by Freedonia, porcelain will be the fastest-growing surface material from 2021 to 2027, with a Compound Annual Growth Rate (CAGR) of 27% during this period. This strong growth will be driven by increasing consumer awareness of porcelain's superior properties, including stain and heat resistance; greater strength and durability compared to granite; colorfastness; availability in various patterns, designs, and colors from manufacturers; and its ease of maintenance and cleaning capabilities as a non-porous surface⁴.


To maintain and enhance the leading position in the industry, Vicostone continues to develop and refine a proactive comprehensive strategy to improve its competitive capacity and establish a distinct identity in the international market. To fulfill this strategy, the Company has intensified investments in R&D to develop new materials and products that are safe, unique, environmentally friendly, and difficult to replicate, and have superior advantages to lead the global quartz stone market trend.

4.2.3. Risk of Trade Defense Measures Investigations by the U.S.

At the end of 2023, the Trade Remedies Authority of the Ministry of Industry and Trade of Vietnam assessed that Vietnam faced potential risks of being investigated for trade remedy circumvention regarding engineered stone exports to the U.S. This concern arises if Vietnamese products are suspected of incorporating raw materials or similar products originating from countries already subject to anti-dumping and countervailing duties, such as China, India, and Turkey.

In reality, the import volume of engineered stone from Vietnam to the U.S. has steadily increased since 2019. Notably, following the imposition of anti-dumping and countervailing duties on Chinese products in June 2019, Vietnamese engineered stone exports to the U.S. surged

⁴ <https://www.freedoniagroup.com/industry-study/global-countertops-3836.htm>



significantly between 2020 and 2023, despite the challenges posed by the COVID-19 pandemic. The market share of Vietnamese engineered stone imports has continued to rise, reached 23.9% by the end of 2024⁵.

Notably, most engineered stone manufacturing facilities in Vietnam utilize low-cost Chinese technology. Given the substantial growth in Vietnam’s engineered quartz imports to the U.S. since 2019, there is a tangible risk that the U.S. may impose additional tariffs on these products, potentially affecting the competitiveness of Vietnamese exports in this market⁶.

a. Anti-Dumping and Countervailing Duties

The United States has implemented anti-dumping and countervailing measures against imported engineered stone products from China, India, and Turkey. Specifically, The U.S. Department of Commerce (DOC) has imposed anti-dumping and countervailing duties on quartz stone products imported from China since July 11, 2019, effective for five years, and varying by Chinese company⁷. In 2024, although the DOC has not yet made any specific decisions about Vietnam’s engineered stone exports, but on March 15, 2024, the Ministry of Industry and Trade announced a list of 24 products at risk of being investigated for trade remedies, origin fraud, and illegal transshipment. Notably, quartz-based engineered stone ranked 6th out of the 24 flagged⁸.

According to the Trade Remedies Authority of the Ministry of Industry and Trade, as of the end of 2024, Vietnamese goods had been subject to approximately 273 trade remedy investigations across 25 markets. These include key export markets, even those with Free Trade Agreements (FTAs) with Vietnam.


The year 2024 saw a significant increase in trade remedy investigations, with 29 new cases—double the number recorded in 2023 and only slightly below the peak of 39 cases in 2020. Notably, not only major export items such as steel, aluminum, seafood, and wood were investigated, but even smaller products like paper plates—worth only around \$9 million—also came under scrutiny.

⁵ <https://baotintuc.vn/kinh-te/nguy-co-dieu-tra-phong-ve-thuong-mai-voi-san-pham-lien-quanmat-da-thach-anh-20230610144922295.htm>

⁶ <https://baotintuc.vn/kinh-te/nguy-co-dieu-tra-phong-ve-thuong-mai-voi-san-pham-lien-quanmat-da-thach-anh-20230610144922295.htm>

⁷ <https://m.vcci.com.vn/nguy-co-dieu-tra-phong-ve-thuong-mai-voi-san-pham-lien-quanmat-da-thach-anh>

⁸ <https://thongtinconghuong.vn/danh-sach-canh-bao-mat-hang-co-nguy-co-bi-dieu-tra-ap-dung-bien-phap-phong-ve-thuong-mai-va-lan-tranh-bien-phap-phong-ve-thuong-mai/>



In addition to tariffs, the U.S. may further strengthen its trade remedy measures. During Donald Trump's first term, the number of trade remedy cases increased by approximately 40%⁹.

b. Anti-Circumvention

As of the end of October 2024, a total of 267 trade remedy investigations had been initiated by 25 markets and territories against Vietnamese exports. Among these, anti-dumping investigations accounted for the largest share (146 cases), followed by safeguard measures (54 cases), anti-circumvention of trade remedies (38 cases), and countervailing duties (29 cases). According to the Trade Remedies Authority of the Ministry of Industry and Trade, trade remedy investigations targeting Vietnamese exports have been increasing rapidly, particularly in anti-circumvention cases. While there were only 50 cases between 2001 and 2011, the number surged to 214 cases from 2012 to 2024—more than a fourfold increase. Investigations into the circumvention of trade remedy measures against Vietnam are on the rise, with the United States being a key initiator. To date, the U.S. has launched 38 anti-circumvention investigations against Vietnamese exports¹⁰.


The primary latent risk will focus mainly on anti-dumping and countervailing investigations. With circumvention, the potential risk level is lower, but it is still necessary to regularly monitor relevant legal information. Vicostone, as one of many import businesses into the U.S. market, continually faces trade defense pressures. Although the potential risk is lower, the Company has maintained a transparent and comprehensive data system, ready for information retrieval when necessary.

4.2.4. Risks of trade protection policies from international markets

With a distribution network in more than 50 countries and territories, Vicostone is gradually expanding its global business operations. However, one of the major risks that the Company regularly faces is the increasing trend of trade protection policies in many importing countries, especially in key markets such as the U.S., Canada, the EU and Australia. These policies will cause an increase on importing taxes on stone products in order to protect domestic manufactures and

⁹ <https://vnbusiness.vn/viet-nam/xuatkhau-truoc-ap-luc-phong-ve-thuongmai-bien-nguy-thanh-co-1104435.html>

¹⁰ <https://chongbanphagia.vn/267-vu-viecdieu-tra-phong-ve-thuong-mai-doi-voihang-xuat-khau-cua-viet-nam-n28685.html>



creating pressures for Vietnam to adjust its trade policies towards balancing the bilateral import and export scale.


Fully aware that when these risks occur, they could have impacts on export revenue, profit margins and Vicostone's competitiveness in core markets, the Company has proactively developed emergency response scenarios and implemented solutions to ensure rapid response and effective control:

- Proactively maintain connections with regulatory agencies, industry associations and diplomatic agencies, and regularly update, monitor and analyze scenarios for trade policy adjustments in strategic markets such as the U.S. and EU, thereby ensuring that Vicostone has a timely and appropriate response in related issues;
- Entering new markets or markets less affected by trade protection barriers, in order to reduce dependence on a number of traditional markets and diversify outputs in the long term;
- Develop flexible financial and operational plans, including optimizing costs, enhancing operation efficiency, and maintaining a lean organization to adapt to adverse impacts from changes in tax rates, rules of origin, or new technical barriers in host countries.

With proactive, systematic and flexible preparation, Vicostone aims to minimize the impact of global trade protection policies, maintain competitiveness in the international market, and ensure a long-term sustainable development strategy.

4.3. Risk of persistently high inflation and interest rates

Although price stabilization fluctuations may still occur, global inflation is expected to continue declining, from an average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025 under the baseline scenario. The pace of inflation decline is expected to be faster in developed economies—dropping by 2 percentage points from 2023 to 2024 and stabilizing around 2% by 2025—compared to emerging markets and developing economies, where inflation is projected to decrease from 8.1% in 2023 to 7.9% in 2024 before declining more rapidly to 5.9% in 2025.



There are significant differences among emerging market economies. In emerging Asia, inflation is expected to be on par with developed economies, at 2.1% in 2024 and 2.7% in 2025, partly due to early monetary tightening and price controls in many countries across the region. In contrast, inflation forecasts for emerging and developing Europe, the Middle East and North Africa, and Sub-Saharan Africa remain in double digits. In most Latin American and Caribbean countries, inflation rates have significantly declined from their peaks and continue to trend downward.

The global inflation decline in 2024 and 2025 reflects a drop in core inflation, unlike in 2023, when inflation mainly fell due to lower fuel prices. Core inflation is expected to decrease by 1.3 percentage points in 2024, following a slight 0.1 percentage point decline in 2023, with developed economies leading this trend. Contributing factors include the delayed effects of tight monetary policies and the gradual dissipation of price transmission effects from previous declines, particularly in energy prices.


Overall, inflation is expected to return to target levels by 2025 in most cases. Although the median economy's inflation decline has been faster than projected in October 2023, divergence among economies is now expected to be wider. Comparing official inflation targets with the latest forecasts for a representative group of developed and emerging market economies with inflation targets indicates that annual average inflation will exceed targets in more than three-quarters of these economies by 2025. Inflation is predicted to decline steadily on a monthly basis, and by the end of 2025, most economies are expected to be at or near their targets¹¹.

On December 19, 2024, the U.S. Federal Reserve (Fed) cut interest rates for the third consecutive time. In a widely anticipated move, the Federal Open Market Committee (FOMC) reduced the benchmark rate by 25 basis points to a range of 4.25%–4.5%, returning to December 2022 levels. Following the cut, the Fed signaled two additional 0.25 percentage point reductions, bringing the benchmark rate to a range of 3.75%–4.0% by the end of 2025¹².

In Vietnam, lending rates fell to record lows in Quarter 3/2024. According to aggregated data from the financial reports of 27 listed banks, average lending rates declined by approximately 2.7% from

¹¹ <https://kinhtevadubao.vn/du-bao-lamphat-nam-2025-se-duoc-kiem-soat-omuc-hop-ly-dat-muc-tieu-quoc-hoi-dera-30779.html>

¹² <https://thoibaotaichinhvietnam.vn/fedtiiep-tuc-ha-lai-suat-them-025-bao-hieuse-giam-it-hon-trong-nam-2025-166693.html>



their peak in Q1 2023. Lending rates remained stable in Q4 2024, and forecasts suggest that borrowing costs will increase in 2025, though at a moderate pace rather than the sharp rise seen in late 2024.

VCBS predicts that lending rates will rise by 0.5%–0.7% in 2025 amid economic recovery and stronger credit demand. The State Bank of Vietnam has affirmed its commitment to directing banks to cut operating costs to maintain stable or slightly lower lending rates, supporting businesses and the economy¹³.

Vicostone proactively captures both domestic and international market information to analyze and evaluate, serving to develop a flexible sales channel structure and revenue growth policies compliant with legal regulations and market demands. Moreover, the Company will continuously update the developments in inflation and global commodity markets, seizing opportunities to negotiate and contract with suppliers for material stockpiling at favorable prices; closely monitor interest rate developments to effectively use financial tools; and balance short term loans in both local and foreign currencies at optimal times to minimize financial costs.


4.4. Risk of revenue concentration in key markets

With over 22 years of international market presence, VICOSTONE® quartz stone products have established a reputation as one of the leading quartz stone brands globally. VICOSTONE® products not only excel in quality and safety for users but also boast high aesthetic value, inspiring creativity. Consequently, Vicostone has captured some of the most demanding markets, including the U.S., Canada, and EU countries.

For many years, the U.S., Canada, and the EU have been key markets generating the majority of the Company's revenue. While this focus has advantages, it also carries inherent risks that may lead to dependency and reduce flexibility in business operations.

In this context, to mitigate the risks of over-dependence on existing markets, alongside developing key markets through integrated business, and flexible financial and non-financial policies, aimed

¹³ <https://baodautu.vn/lai-suat-du-bao-dingang-trong-nam-2025-d238322.html>



at maintaining and expanding the customer base, as well as developing sales channels to ensure target revenue, Vicostone also prioritizes customer acquisition and market development. Identifying and entering new, potential markets continues to be one of the strategic objectives of the Company in the coming years. This approach is essential to diversifying revenue streams and reducing the inherent risks of market concentration.

4.5. Legal and regulatory risks in international business operations

4.5.1. Risk of changes in Silica dust regulations and standards

Effective December 29, 2023, the Emergency Temporary Standard on silica, drafted by the California Occupational Safety and Health Administration (Cal/OSHA), has been approved by the government and will apply for the next year to products containing more than 0.1% silica in engineered stones and over 10% in natural stones. This framework imposes stricter requirements on U.S. fabrication units regarding technical operations, labor protection, and worker training¹⁴.

In Australia, the use of engineered stone products (regardless of silica content) will be prohibited from July 2024¹⁵.


Products still permissible for use, production, and fabrication include concrete and cement products; paving bricks, stones, and similar blocks; porcelain products; ceramic tiles for walls and floors; roofing tiles; plaster; or any products containing less than 1% silica¹⁶.

In response to the legal requirements regarding silica content and/or concentration, Vicostone maintains silica dust control measures through ongoing internal training programs that regularly educate workers about the health impacts of silica dust, with reminders issued annually. Additionally, Vicostone has implemented solutions within the Kaizen-5S program to control and reduce dust levels, especially in areas prone to high dust generation such as loading zones and milling areas, maintaining regular environmental monitoring quarterly and annually. The Company ensures workplace conditions for workers by equipping them with appropriate personal

¹⁴ <https://www.dir.ca.gov/DIRNews/2023/2023-93.html>

¹⁵ <https://www.dezeen.com/2023/12/14/australia-bans-engineered-stone-silicosis-risk-news>

¹⁶ Department of Employment and Workplace Relations



protective equipment; specifically, workers in high silica dust areas are provided with dust-filtering masks effective up to 94%; and it regularly maintains inspection and supervision activities to ensure compliance with labor protection regulations. Furthermore, the Company conducts biannual occupational health (twice a year) screenings for workers in high-risk positions and arranges suitable job placements to ensure worker health best.


Vicostone regularly updates legal regulations related to silica dust across its markets to adjust and update the Company's regulations in line with legal changes.

Additionally, the Company continues to focus resources on finding new production methods and researching and developing new materials that are safer and more environmentally friendly. These new materials aim to transform the global quartz stone manufacturing industry with products that prioritize health safety, aesthetic value, and cost-effectiveness.

4.5.2. Risk of changes in legal and regulatory requirements

Vicostone operates in over 50 countries and territories globally. Consequently, the Company's business operations are directly affected by the legal corridors in each host country, such as customs policies, non-tariff barriers, administrative and legal regulations. Changes in laws or regulations can directly impact the Company's operations, creating challenges in managing production and business activities, and increasing operational costs. If not updated and adjusted in a timely manner, the Company's products may fail to meet the conditions for distribution. A notable example is the decision by the Commonwealth, states, and territories of Australia to ban the use of all types of engineered stone containing crystalline quartz to minimize the risk of workers contracting silica-related illnesses. This led to repercussions where manufacturers had to change technology and develop new products to comply with Australian regulations, resulting in additional costs and reducing competitiveness in that market.

To effectively control these risks, Vicostone has established partnerships with reputable international law offices capable of advising and regularly updating changes in policies and legal matters related to the Company's operations. This enables the Company to proactively adjust and change to fully and timely comply with the regulations of the host countries.



The Company's Legal Department, comprised of experienced legal consultants, is responsible for updating changes in laws and their legal impacts on Vicostone's operations to promptly advise the Board of Directors and the Board of Management. They also study the impact of legal documents in the drafting phase soon to be enacted on the Company's operations to prepare appropriately. Additionally, this department is tasked with reviewing the Company's contractual documents to limit related legal risks, ensuring that Vicostone maintains its compliance and adaptability in the face of regulatory changes across its diverse markets.

4.5.3. Legal Dispute Risks

Engaging in international trade, Vicostone faces legal disputes from various angles such as disputes over international goods sales and service supply contracts, product quality, social responsibility, environmental issues, and notably, intellectual property disputes involving copyrights, trademarks, industrial designs, and patents with competitors.

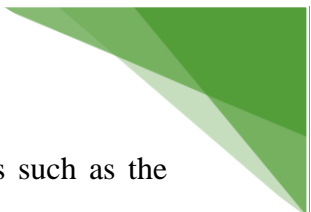
As competition among quartz stone manufacturers intensifies, Vicostone is at risk of facing unfair competitive practices aimed at impacting its business operations and diminishing its market reputation. To mitigate these risks, the Company has been proactive and timely in registering intellectual property rights, protecting brands, trademarks, product designs, and design patterns in the markets where it operates, especially for new products prior to their official market launch.

4.6. Climate change risks and related environmental issues

The year 2024 was recorded as the hottest year in history, with the global average temperature surpassing the 1.5°C threshold above pre-industrial levels for the first time¹⁷ – a critical milestone under the Paris Agreement. In Vietnam, extreme weather events such as record heatwaves, storms, and droughts have intensified, posing severe challenges to industrial production sectors, including Vicostone's operations.

Vicostone has identified increasingly evident risks arising from climate change, ranging from supply chain disruptions, higher operating costs, and reduced labor productivity, to heightened


¹⁷ <https://laodong.vn/the-gioi/nhiệt-độ-toàn-cầu-đã-tăng-hơn-1-5-độ-c-trong-năm-2024-14481193do>



compliance pressures under stringent environmental regulations in export markets such as the EU's CBAM, OSHA/NIOSH (the U.S.), and green building standards including LEED, WELL, and EPD. In parallel, the Company also faces market risks as customers and partners increasingly prioritize “green” products with transparent carbon footprint disclosures, as well as financial risks stemming from rising ESG compliance costs or the potential exclusion from supply chains if climate requirements are not met.

To mitigate the impacts of climate change and maintain long-term competitiveness, Vicostone has been implementing and plans to further pursue the following initiatives:

- Reducing greenhouse gas emissions and advancing toward NetZero: According to its roadmap, Vicostone aims to reduce emissions by 10% by 2028, 50% by 2040, and achieve net-zero emissions by 2050. The company also places strong emphasis on renewable energy adoption. Its solar power system helps cut over 200 tons of CO₂ annually;
- Recycling and sustainable product development: To date, nearly 50 VICOSTONE® products contain recycled materials, generating annual revenue of USD 15–20 million. The company has also introduced product BQ7405 – its first Cradle to Cradle (C2C) recycled product – which has been adopted in dormitory projects in the U.S. and Canada, paving the way for a portfolio of future C2C products. Vicostone is further committed to promoting a circular economy model by researching solutions to transform waste into resources;
- Optimizing resource utilization: Vicostone applies advanced water treatment technologies, including wastewater collection and recycling silos, ensuring that 100% of industrial wastewater is treated and reused, thereby contributing to the conservation of valuable water resources;
- Localizing raw materials to stabilize the supply chain: The Company has pursued a strategy of raw material localization, reducing reliance on imports and enhancing resilience against market fluctuations. As of December 2024, Vicostone has been able to secure over 95% of its input materials domestically, significantly mitigating supply chain risks;
- Enhancing disaster resilience: Vicostone has developed disaster response scenarios and reinforced infrastructure to ensure safety and resilience in emergency situation;

- 
- Advancing sustainability through international standards: The Company continues to maintain and improve its environmental management system in line with ISO 14001:2015 and its energy management system in line with ISO 50001, thereby minimizing emissions, maximizing reuse, and contributing actively to environmental protection.

IV. Internal Audit system associated with sustainable development

1. Operation of the Audit Committee and process of internal audit at Vicostone

1.1. The Audit Committee's role to the Board of Directors in sustainability governance

- At Vicostone, the Audit Committee (AC) plays a critical role in overseeing and ensuring the completeness and transparency of the Sustainability Report. In 2024, the AC convened 4 regular meetings to review and evaluate the progress of ESG goals, issued assurance reports on the information disclosed in the Sustainability Report, and carried out duties and authorities in accordance with the AC's operational regulations.
- Strengthening internal control and ESG risk management:
 - Assessing the internal control system in collecting, consolidating, and reporting ESG data;
 - Monitoring the integration of sustainability factors into the organization's strategy, operations, and risk management framework.
- Enhancing credibility through independent assurance: The Audit Committee emphasizes the role of independent verification of ESG indicators, while supervising transparency in disclosures, reviewing environmental and social data, and ensuring that the Report aligns with GRI Standards.

1.2. Audit process at Vicostone

On May 7, 2021, the BOD of Vicostone approved the Operating Regulations of the Audit Committee;

In accordance with GRI 3:2021, Vicostone determines material topics based on:

- Actual and potential impacts on the economy, environment, and society;
- Stakeholder expectations;
- The level of ESG-related risks and opportunities associated with the corporate strategy.

The Audit Committee was actively involved throughout the three key stages:

- Impact assessment: Independent audit of CO₂ emissions, water and energy consumption, occupational health and safety, and employee welfare;
- Stakeholder engagement: Surveys conducted with five key groups, including customers in the U.S., Canada, and Australia; major shareholders; employees; local authorities; and suppliers;
- Validation of materiality: Assessment of the likelihood and financial impact of each issue using the materiality matrix, aligned with the COSO-ERM framework and IFRS S1, S2 standards.

The results have been incorporated into the 2024 Sustainability Report, identifying 19 material topics as follows:

1. Economic performance
2. Market presence
3. Anti-competitive behavior
4. Materials
5. Energy
6. Water and effluents
7. Emissions
8. Waste
9. Supplier environmental impacts
10. Employment
11. Occupational health and safety
12. Training and education
13. Diversity and equal opportunity
14. Freedom of association and collective bargaining
15. Forced or compulsory labor
16. Local communities
17. Customer health and safety
18. Product and labeling information
19. Customer privacy and data protection complaints



1.3. The activities of the Audit Committee associated with the 2024 Sustainable Development Report

The Audit Committee (AC) conducted its audit based on the principles of compliance with the ESG framework and the potential impacts on the Company's export activities, taking into account new regulatory requirements such as the U.S. federal Inflation Reduction Act (IRA) relating to climate change and clean energy investment, Canada's carbon emission standards, and other relevant international regulations.

The AC's audit scope included:

- Reviewing certifications of the Energy Management System (ISO 50001), Environmental Management System (ISO 14001), and Quality Management System (ISO 9001);
- Assessing social impact risks at raw material extraction sites and Tier-1 suppliers.

Through these activities, the AC contributed to demonstrating Vicostone's:

- Transparency and independent assurance of ESG data;
- Traceability of raw materials with no adverse environmental impacts.


2. Internal audit results in 2024 at Vicostone

2.1. Supervision of the BOD

The Board of Directors has fully performed its role in overseeing the Company's strategy, development direction, and enterprise-level risk management.

The activities of the BOD complied with the laws, the Company's Charter and the internal regulation on corporate governance. The BOD's resolutions and decisions were issued in a timely, orderly and competent manner:

- All BOD members performed their assigned tasks in accordance with the provisions of the Company's Charter;

- 
- The BOD fully analyzed and evaluated the market context, the domestic and international economic and political situations, taking into account global fluctuations such as high inflation in many countries, geo-political conflict, etc. then promptly provided solutions and strategic directions to help the Company continue to achieve its business goals;
 - There were neither conflicts of interest among BOD members nor conflicts between BOD and the Company;
 - Salaries and bonuses paid to executive BOD members were in line with their labor contracts and wage structure of the Company; their remunerations were at the levels approved by the AGM;
 - Remunerations for non-executive BOD members were at the levels approved by the AGM;
 - All meetings are organized in accordance with applicable regulations, with minutes properly documented and retained.


2.2. Supervision toward activities of the Board of Management

The BOM attached great importance to the management and operation of the Company, and flexibly adjusted production and business activities with strategic direction responding to the condition of each specific market;

The BOM strictly followed existing laws of the Government, the Company's Charter and Internal regulation on corporate governance;

There were neither conflicts of interest between the BOM and the BOD nor conflicts between the BOM and the Company;

The salaries and bonuses for the BOM members complied with their labor contracts and regulations of the Company.



2.3. Results of supervision towards the financial statements, operations and financial situation of the Company

2.3.1. Financial statements

The AC conducted a review of the Company's quarterly financial statements prior to their external release, and coordinated with the independent auditor to perform the review of the semi-annual financial statements as well as the audit of the 2024 annual financial statements. The results indicate that:


- The AC did not discover any signs of violation with the principles of independence and confidentiality by the auditor – the Ernst & Young Vietnam Co. Ltd. and members of the audit team;
- The financial statements were honestly and accurately reflected the Company's key financial indicators, business results and cash flow as of December 31, 2024, while meeting Vietnamese accounting standards and regulations on financial reporting;
- The AC found no significant misstatements in the accounting estimates used to prepare and present the financial statements for the year 2024;
- Quarterly, semi-annual and annual financial statements in 2024 were compiled, audited and published in accordance with the regulations of the State Securities Commission and the Hanoi Stock Exchange, and other existing rules.

2.3.2. About the Company's business operation

In 2024, the BOD and BOM of the Company put tremendous effort in managing and operating production and business activities. However, due to the global economic challenges, the Company's production and business performance did not reach the target set by the General Meeting of Shareholders.

2.3.3. About the Company's financial situation

In 2024, the Company's financial situation remained stable with high payment ratio due to effective operations and sensible capital structuring:



Item	Unit	31/12/2023	31/12/2024	Decrease/ Increase
Total asset (1)	VND Billion	6,468.25	6,466.97	(1.28)
Current assets (2)	VND Billion	5,515.84	5,473.45	(42.39)
Total capital (3)	VND Billion	6,468.25	6,466.97	(1.28)
Liabilities (4)	VND Billion	1,482.43	1,357.35	(125.08)
<i>Current liabilities (5)</i>	VND Billion	1,440.72	1,326.64	(114.08)
Current ratio (6) = (1)/(4)	Times	4.36	4.76	0.09
Liquidity ratio (7) = (2)/(5)	Times	3.83	4.13	0.08

The Company did not accrue capital mobilization via bonds. Vicostone appropriately utilized bank loans, and subsequently paid those loans, and the accrued interests on time.

2.4. Internal control and risk management systems

- The internal control and risk management systems were maintained with higher efficiency;
- The AC found no breaches in the Company's internal control system;
- The Company's units and departments highly and strictly complied with regulations and procedures; no failures and violations were found;
- Operational procedures were continuously adjusted and updated to meet the conditions of the business;
- The AC regularly conducted internal assessments and accredited the quality control standards of ISO 9001:2015, ISO 14001, etc.



2.5. The compliance of the Company with the law

- The operations of the Company consistently and fully complied with laws in the following areas: Tax management; Environment; Resource and minerals management; etc. without the occurrence of outstanding tax debts.
- No material legal violations were identified during the audit period;
- Recommendations include strengthening compliance awareness training across departments and ensuring timely updates of applicable legal and regulatory requirements.

2.6. Coordination of activities between the AC and the activities of the BOD and BOM

- During the audit process, the BOD and the BOM always proactively coordinate closely with the AC by providing complete and timely procedures, documents and reports related to the Company's management and operations;
- The AC participated in all important meetings of the BOD and the BOM and provided important advice to the BOD and the BOM in developing and adjusting strategic goals and implementing business and production plans;
- The Audit Committee fully exercised its independent oversight role and provided valuable recommendations;
- It is proposed to further strengthen the Committee's advisory role in corporate risk management and sustainability strategies.

2.7. Audit results of the 2024 Sustainable Development Report

- The AC carried out the necessary audit procedures to ensure an independent and objective conclusion on the indicators presented in the 2024 Sustainable Development Report;
- The AC issued an Assurance Report on the 2024 Sustainability Report (page ...), in which it concluded: “The 2024 Sustainability Report has been prepared and presented in accordance with the applicable GRI Standards and Vicostone’s internal regulations. It demonstrates consistency between ESG strategy and production–export activities, and accurately reflects Vicostone’s material impacts on the environment, society, and governance.”



D. SUSTAINABLE ECONOMIC GROWTH

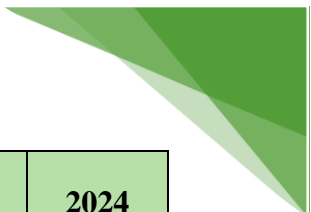
I. 2024 Business performance overview

In 2024, the world continued to be influenced by inflation and interest rates. Political instability, as well as the rising prevalence of trade restrictions in many countries, further impeded economic recovery and the value of global industrial production, including the quartz stone manufacturing sector. Additional challenges, such as soaring freight costs and intense competition from industry peers in China, India, Thailand, and Malaysia, also significantly affected Vicostone's business performance.


To adapt to global market dynamics, Vicostone proactively developed effective financial policies and secured its raw material supply chain to strengthen its competitive advantage, at a time when many peers struggled with high costs and persistent inflation. At the same time, Vicostone's strategy prioritized investment in R&D to build competitiveness through advanced technology and differentiated products, rather than price. Timely, flexible, and market-aligned solutions enabled the Company to achieve positive results despite the broader economic challenges.

1. Business performance

The Company presents the financial indicators in detail as follows:



No.	Items	Unit	2020	2021	2022	2023	2024
1	Import/export turnover of goods	USD million	202.68	277.81	193.98	149.88	147.33
	<i>In which:</i>	USD million					
	Import turnover	USD million	39.05	48.99	42.03	14.37	18.14
	Export turnover	USD million	163.63	228.82	151.95	135.51	129.18
2	Total revenue	VND billion	5,701.22	7,136.65	5,761.95	4,457.17	4,425.42
3	Sales cost	VND billion	3,927.76	4,927.12	4,238.72	3,348.18	3,401.55
4	Total profit before tax	VND billion	1,667.96	2,097.40	1,377.22	999.44	953.34
5	Total profit after tax	VND billion	1,428.42	1,772.06	1,148.70	846.38	807.12
6	Contribution to State Budget: Amount Paid	VND billion	307.80	448.40	379.02	165.68	223.12
7	Liabilities	VND billion	2,197.51	2,018.72	1,721.17	1,482.43	1,357.35
8	Equity as of Period-End	VND billion	3,857.82	4,874.20	4,868.74	4,985.82	5,109.62
9	Charter capital	VND billion	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00



10	Dividend payout ratio	%	40.00%	43.09%	60.00%	40.00%	40.00%
11	Average income per month (*)	VND million/person	17.67	19.49	18.17	19.34	19.71
12	Interest expense	VND billion	81.06	56.88	48.52	57.62	34.57
13	Profit before tax/Net revenue	%	29.47%	29.67%	24.33%	22.96%	22.06%
14	Profit after tax/Net revenue	%	25.24%	25.06%	20.29%	19.44%	18.67%
15	Return on Average Equity (ROAE)	%	39.10%	40.59%	23.58%	17.18%	15.99%
16	Return on Average Asset (ROAA)	%	24.55%	27.37%	17.04%	12.96%	12.48%

(*) Vicostone's standalone figures

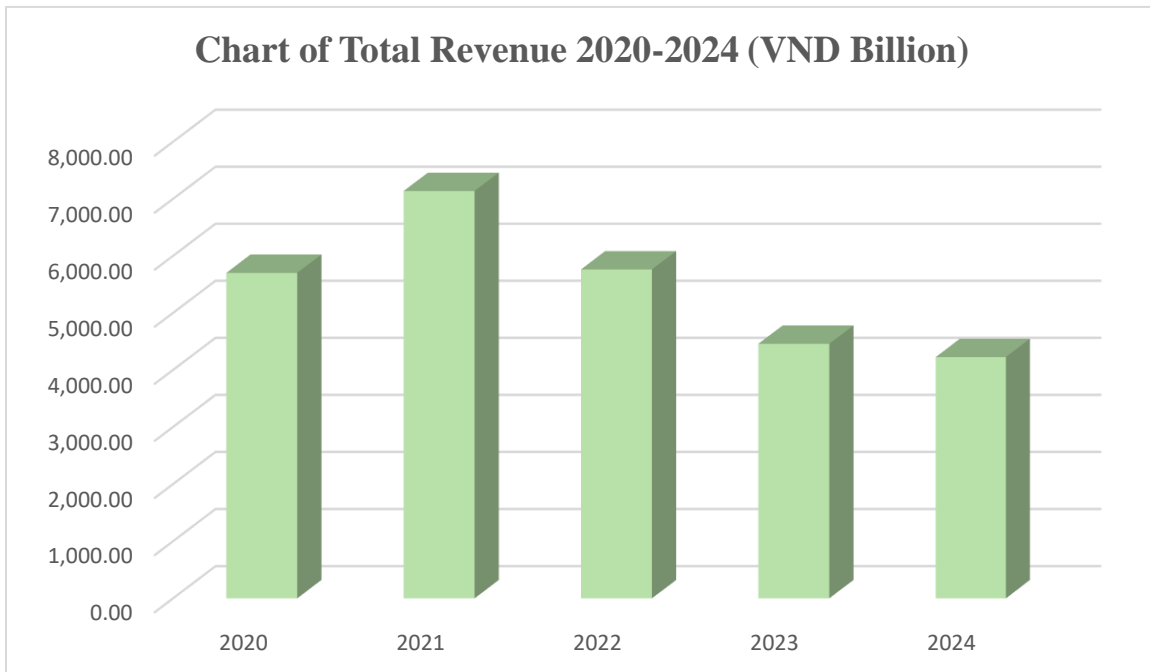
In 2024, Vicostone recorded net revenue equivalent to 93.9% of the plan, representing 99.3% of the 2023 level. Profit before tax reached 92.2% of the plan, or 95.4% compared to the previous year.

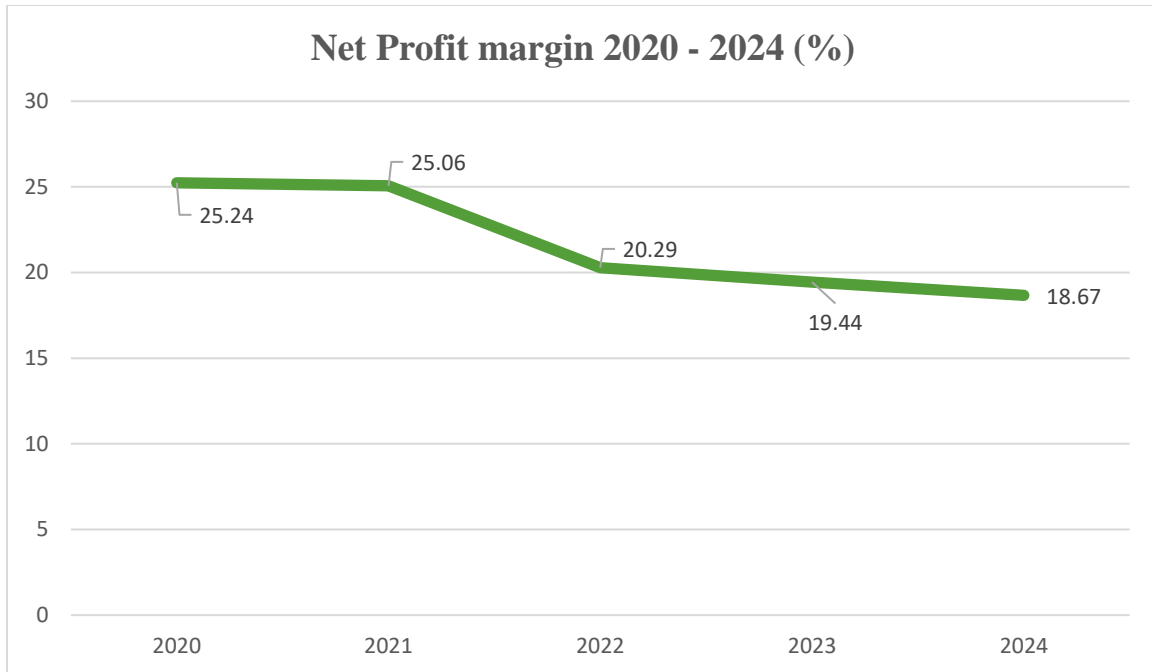
The Company's profit before tax margin stood at 22.1% in 2024. Against the backdrop of a slow and risk-prone global recovery, sustaining this level of profitability demonstrates BOD's prudent capital allocation, strict cost discipline, and resilient financial stewardship.

2. Net revenue by regions

No.	Items	Unit	2020	2021	2022	2023	2024
1	Net export revenue	VND billion	3,790.84	5,216.04	3,519.47	3,202.58	3,210.89
2	Net domestic revenue	VND billion	1,868.76	1,854.09	2,140.79	1,151.28	1,111.18

In 2024, despite the domestic market being under pressure from global macroeconomic headwinds, Vicostone maintained its leading domestic market share, reinforcing the brand equity and competitive positioning of VICOSTONE® in Vietnam.






3. Contribution to the State Budget

Vicostone consistently fulfills its fiscal obligations, recognizing them as an integral part of the Company's sustainable development commitment. In 2024, the Company contributed VND 223.12 billion to the State Budget, primarily from corporate income tax, import VAT, import duties, and personal income tax.

4. Dividend and interest payments

In 2024, the Company continued to maintain its shareholder return policy with a cash dividend ratio of 40%, after appropriations to statutory funds. Dividend distribution is determined annually by the General Meeting of Shareholders, based on the proposal of the Board of Directors and in accordance with the following principles:

- Safeguarding shareholders' interests while ensuring sufficient retained earnings for business expansion;
- Paying dividends only when the Company generates profits, has fulfilled all tax and statutory financial obligations;

- 
- Ensuring solvency for debt repayment and other liabilities after dividend payments;
 - Dividends are distributed proportionally to shareholding.

Thanks to a stable profitability track record, Vicostone has consistently maintained a high dividend payout ratio (from 40% upwards) in recent years. In 2024, the Company continued its sustainable financial policy by allocating 40% of net profit after tax, equivalent to VND 640 billion, for dividend distribution.

In addition to equity capital contributed by shareholders, the Company also mobilizes debt financing from banks, with regular interest payments made on a monthly and quarterly basis.



II. Awards

- **Vietnam Value production** 4 consecutive years

VICOSTONE® is honoured in Vietnam Value, a unique, long-term trade promotion initiative of the Government, thereby reaffirming Vicostone's reputation as a leading brand in the quartz stone manufacturing and trading sector as well as in the construction materials industry in Vietnam and internationally.

- **National Quality Gold Award granted by the Prime Minister** for the second time

This award is part of an annual program that evaluates and honors enterprises with outstanding achievements in quality improvement, operational efficiency, and significant contributions to Vietnam's productivity and quality movement.

- **Top 10 Key Industrial Products of Hanoi** for the third time

Recognized by the People's Committee of Hanoi.

- **Top 10 Best Corporate Governance in 2023–2024** 4 consecutive years

Awarded by the Hanoi Stock Exchange.


- **Top 100 Sustainable Development Enterprises - CSI 100** for the eighth time

This recognition is organized by the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the Central Economic Commission, the Ministry of Labor, Invalids and Social Affairs, the Ministry of Natural Resources and Environment, and the Vietnam General Confederation of Labor.

- **Top 100 Most Valuable Brands in Vietnam** 8 consecutive years

Ranked by Brand Finance (UK).

- **Top 500 Biggest Enterprises in Vietnam (VNR500)** 10 consecutive years



Based on independent research and evaluation results according to international standards of Vietnam Report.

- **Top 500 Most Profitable in Vietnam (PROFIT500)** 8 consecutive years

Based on independent research and evaluation results according to international standards of Vietnam Report.

- **Vietnam's Top 10 Most Reputable Building Material Companies** 9 consecutive years

Based on independent research and evaluation results according to international standards of Vietnam Report.

- **Top 20 Best Annual Reports in the Non-Financial Sector** 11 consecutive year

Organized by the Ho Chi Minh City Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX), and Investment Newspaper.

- **Top 10 Private Enterprises in the Consumer Goods - Household Sector with the Largest Tax Contributions in Vietnam**

First time recognition by CafeF.

- **Top 500 Leading Employers in Vietnam (VBE500)** 3rd consecutive years

Published by Viet Research in collaboration with *Báo Đầu tư* (Investment Newspaper).

III. Business plan for 2025

1. Financial targets for 2025

No.	Item	Unit	2024	2025 Plan	Growth (%)
1	Net revenue	VND billion	4,322	4,719	9.2
2	Profit before tax	VND billion	953	975	2.3

2. Key tasks for 2025

2.1. Revenue growth target

In 2025, the world economy is considered to be more stable than 2024. Besides, the inflation rate Vicostone's main markets are forecasted to remain at a lower level than in 2024. This is also a positive sign for the Company to develop strategies to adapt to new developments of the economy, continuing to promote revenue growth. Specifically, Vicostone will focus on the following activities:

- R&D and unlimited creativity are always the keys to success, creating competitive advantages and differentiation, leading the market for Vicostone. In 2025, Vicostone will continue to promote R&D in combination with developing scientific and technological elements for production lines and machinery systems to ensure the quality of output products that meet requirements, the strictest requirements and regulations of each key market as well as new potential markets; complete investment in research and production of new materials to replace traditional ones, aiming to create environmentally friendly products with high quality while continuing to lead the market with unique and sophisticated designs;
- Proactively capturing domestic and international market information to analyze, evaluate, and serve the work of building a flexible sales channel structure and sales policies in accordance with the provisions of law, needs of each market;

- Expansion into other potential markets: In addition to continuing to promote sales and increase market share in existing markets such as the U.S., Canada, Europe, etc., Vicostone will continue to invest for accessing and developing diverse and flexible sales channels markets in the Middle East, South America and some Asia- Pacific countries;
- Continuing to strengthen competitive position in key markets through improving product quality to fully meet legal standards and the needs of that market; proactively provide necessary solutions, information and data to customers, develop product specific training/guidance programs so that customers have helpful information for processing, installing and using safely and effectively.

2.2. Stabilize the supply chain

Vicostone maintains its strategy of localizing input material sources, aiming to enhance autonomy in material sources. In addition, Vicostone actively seeks new suppliers in the market. This approach alleviates reliance on minor suppliers, enabling the Company to be more proactive in selecting suppliers offering better quality and more stable materials. Moreover, it ensures full compliance with legal regulations on silica dust, pneumoconiosis, and environmental permits, while maintaining reasonable prices that align with the Company's short-term and long-term business strategies.

2.3. Improve human resources quality and increase labour productivity

Over the years of development, productivity and labour efficiency have always been the top concerns of the Board of Directors. The BODs has set the following goals as a basis for implementing specific actions in 2025 as follows:

- Implement continuous improvement, Kaizen-5S to increase labour productivity;
- Enhance employee training and development: promote training activities, build and develop a culture of mentoring, guidance, and transfer of experience and skills between leaders/managers and employees;
- Create a positive working environment through increased communication, coordination at work, increased cohesion and continuous learning;

- Consolidate the evaluation system to help evaluate work efficiency, thereby identifying problems that need to be addressed to improve and enhance labour productivity;
- Improve production processes and business processes, thereby improving labour productivity.

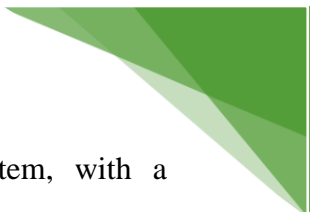
2.4. Optimize costs and operational efficiency

In an increasingly competitive global market, Vicostone faces challenges to its operational efficiency due to technological advancements and participation of other players. Effective cost management will help the Company boost revenue and gain more profits and cash flow advantages to create favorable conditions for the development of the Company's long-term strategies. Some necessary measures to improve cost efficiency are as follows:

- Enhancing the operational efficiency of the Human Resources team means improving the operational efficiency of the operating and management system;
- Optimizing production processes, operations, management, raw materials, inventory... to cut down on excess costs that cause losses that affect production and business efficiency;
- Investing in and developing technology systems, and continuously improving processes and regulations to support and optimize processing time and operational efficiency of the Company;
- Continue to strengthen cost optimization – production optimization, and inventory level optimization in manufacturing operations as a key factor to ensure long-term stable operations;
- Researching and developing new materials and product sets that are innovative and creative, overcoming weaknesses of existing products while still ensuring output efficiency and saving input costs in the Company's production, management and operation process.

2.5. Continue to promote risk management in the Company

Vicostone continues to implement a comprehensive risk management plan, aiming not only to minimize overall risk levels and mitigate adverse impacts but also to proactively turn challenges into opportunities, contributing to long-term sustainable growth.



The Company is developing a flexible and proactive risk management system, with a comprehensive risk management strategy deeply integrated into all business operations, including supply chain management, production, marketing, sales, finance, and investment. Each process is equipped with strict control mechanisms to effectively identify and prevent risks, ensuring business stability and sustainability.

At the same time, according to the risk management orientation, the Company will build and transmit a risk management culture within the Company, which must be instilled in each employee, through the following activities: issuing risk newsletters periodically, ad-hoc and thematic risk newsletters, with the purpose of raising awareness of risks, building a culture of risk management in each activity and recording emerging risks, contributing to helping individuals, unite in identifying and evaluating potential risks in each production, business, management, investment activities of the Company.


2.6. Sustainable development Environment – Social – Governance (ESG)

In the era of globalization and green transition, ESG (Environmental – Social – Governance) has become an inevitable standard for pioneering enterprises—not only to meet increasingly stringent legal requirements, such as those on occupational lung disease, greenhouse gas emissions, or social responsibility, but also to enhance competitiveness within global supply chains.

At Vicostone, ESG is more than a governance tool; it is a sustainable development philosophy integrated throughout our business strategy, production, and innovation. We view ESG as the bridge that connects economic performance, social responsibility, and environmental commitment—affirming our position as one of the world’s leading manufacturers of engineered quartz.

A consistent and substantive ESG implementation has brought multiple values to Vicostone:

- Risk management to safeguard people and corporate assets;
- Operational optimization to improve efficiency and product quality;
- Emission reduction, green manufacturing, and circular economy practices;

- 
- Innovation momentum and stronger resilience to market fluctuations;
 - Attraction of high-quality talent and cultivation of a sustainable corporate culture;
 - Enhanced compliance and transparency to meet the expectations of global investors and partners;
 - Contribution to realizing the United Nations Sustainable Development Goals (SDGs).

As we move into 2025, strengthening the ESG framework remains a strategic pillar of Vicostone, alongside revenue growth, profitability, and market expansion. This represents our firm commitment to a greener future—where Vicostone not only leads in product quality but also stands as a model of responsible, transparent, and sustainable manufacturing in the new era.

Vicostone – For a Greener Future!



E. SUSTAINABLE ENVIRONMENT

I. Materials

Quality commitment – Proactive supply chain – Towards a circular economy

Commitment and strategic context

Vicostone is committed to producing high-quality, environmentally friendly engineered quartz products that meet international standards for quality and consumer health and safety. In the context of significant fluctuations in global supply chains, factors such as cost, stability, and control over raw material inputs present major challenges. Vicostone is therefore intensifying its localization strategy and proactively managing raw material sourcing, while enhancing its forecasting capabilities, risk management, and supply chain optimization. This forms a solid foundation for the Company to maintain product quality, ensure production timelines, and achieve its sustainable development goals.

1. Material control strategy

Vision: To build an integrated, self-sufficient, flexible, and sustainable raw material value chain according to international ESG standards, aiming to enhance global competitiveness.

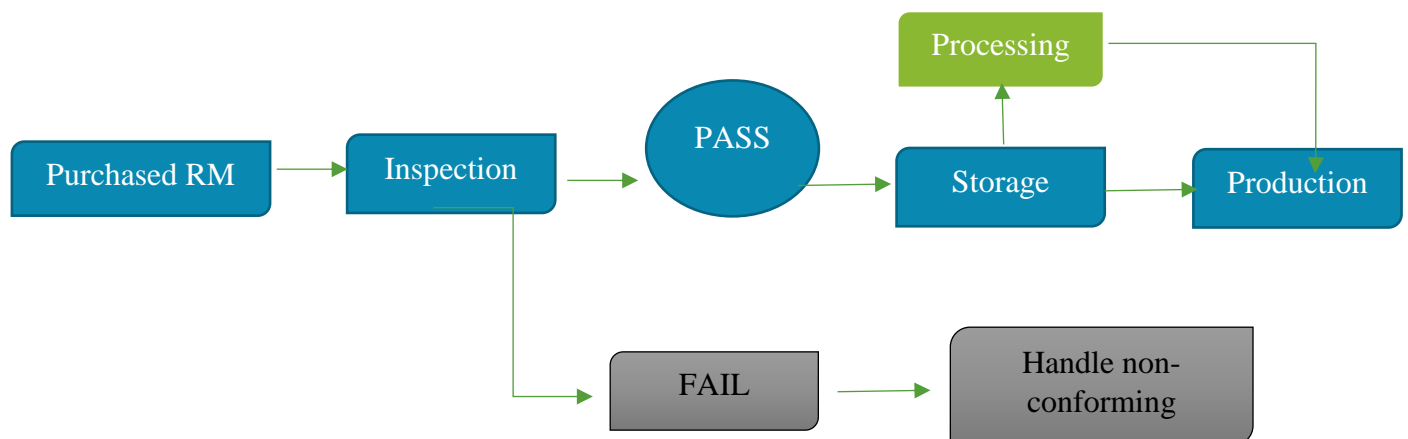
Targets by 2030:




2. Raw material control process


At Vicostone, input raw materials are strictly controlled right from the receiving stage to ensure quality, safety, and compatibility with the production process. Only raw materials batches that fully meet technical requirements, comply with internal quality standards, and adhere to safety and environmental regulations are approved for use.

Raw materials inspection process





Purchased Material	Upon procurement, raw materials (RMs) are thoroughly documented by the Supply Department and timely notifications are issued to relevant units. This proactive communication ensures proper planning and resource allocation for the receipt and inspection of materials.
Inspection	<p>The Department of Materials and Equipment and Quality Control work to examine the materials as planned. 100% of raw materials are assessed by KCS personnel (Quality Control Inspectors) based on approved inspection guidelines and standards). If the materials:</p> <p>Pass: The materials are imported and stored in standardized facilities.</p> <p>Fail: The Input Control Quality requests for remedies as per regulations</p>
Storage	Materials after having been inspected and deemed qualified by the KCS employees of the Quality Control Department are then transferred to the Materials and Equipment department for warehousing and storage according to standards and to prevent decline in quality and quantity of materials during storage pending production.
Processing	<ul style="list-style-type: none"> • Based on the production plan and product specifications, the Crushing and Screening Workshop processes the raw materials into refined form to meet technical standards for production. • The Quality Control Department's PQC employee assesses the quality of materials during production. After being processed, 100% of the materials are tested and assessed for the second time following guidelines and standards. If the materials: <p>- Pass: The materials are stored and kept at standardized houses.</p> <p>- Fail: The Input Quality Control requests for remedies as per</p>



	regulations.
Producing	Raw materials that meet technical and quality requirements are delivered to manufacturing plants and integrated into the production process according to the approved production plan.

3. Key raw materials usage

Proactive raw materials sourcing

VICOSTONE® engineered quartz stone products are the result of extensive research and optimization of raw material blending formulas to simultaneously meet criteria for quality, mechanical durability, and aesthetics. The standard material composition includes:

- **Quartz and silica (~ 90% by weight):** These are the primary components, determining the hardness, durability, and physical properties of the product;
- **Binder (polyester resin ~10%):** Plays a crucial role in binding the stone particles, creating high bonding strength for the product;
- **Additives, pigments, and functional materials:** Help increase stability, chemical resistance, UV protection, and aesthetic value.

Recognizing the vital importance of securing stable and high-quality raw material sources, Vicostone has identified a proactive sourcing strategy as a critical foundation for its sustainable production and business operations. This contributes to maintaining a flexible supply chain, reducing risks, and creating long-term business competitive advantages. With strategic support from Phenikaa Group, Vicostone has proactively invested in, researched, and developed the localization of key raw material groups, including:

- Cristobalite to enhance product gloss and color consistency;
- Quartz sourced domestically, notably from Phenikaa Hue Factory;
- Polyester Resin supplied internally by the Phenikaa Chemical Plant, subsidiary of the Phenikaa Group.


By proactively developing domestic raw material sources, Vicostone not only reduces its reliance on international markets but also contributes to strengthening the domestic value chain, moving closer to its goals of production self-sufficiency, sustainable development, and carbon neutrality by 2050.

Input material for production of Vicostone from 2021–2024 (Unit: tons)

Main materials	2021	2022	2023	2024
Domestic quartz	20,944.8	22,960.4	16,089.8	16,524.4
Imported quartz	5,817.5	4,542.5	685.7	-
Cristobalite	43,854.4	31,718.6	21,562.1	19,211.0
Domestic Resin	9,060.9	9,540.5	5,469.5	4,531.7
Imported Resin	2,778.6	-	-	18.0
Total	82,456.2	68,762.0	43,807.0	40,285.1

Analyzation:

- Localization rate significantly increased by 2024, with imported quartz raw material being fully replaced by domestic sources;
- Domestic cristobalite and resin consumption show a decreasing trend, in line with actual production output and planned adjustments to product formulas;
- A small volume of resin (18.0 tons) was re-imported in 2024, primarily due to the needs for testing certain products;
- Total consumption of key raw materials has gradually decreased over the years, reflecting efforts to optimize production efficiency, improve technology, and control raw material consumption.



In addition to the main raw materials used for manufacturing engineered quartz stone, Vicostone also utilizes various auxiliary materials for safe and efficient product packaging, storage, and distribution. These materials include:

- **Steel packing frames:** Approximately 380 tons, ensuring stability during transportation and being reusable multiple times, which helps minimize waste;
- **Nylon film for surface protection:** Approximately 28.5 tons, preventing scratches and damage during storage and transit;
- **Other materials:** Including strapping, screws, labels, wooden dunnage, etc., supporting safe packaging and ensuring product identification and traceability.

All packaging materials are supplied by external partners, carefully selected by Vicostone based on the following criteria:

- **Cost-effectiveness:** Optimizing costs while maintaining effective usage;
- **High recyclability or reusability:** Minimizing non-recyclable waste;
- **Safety in handling and transport:** Ensuring safe handling for both products and workers throughout the logistics chain.

By applying strict selection standards for packaging materials, Vicostone not only ensures the quality of its distribution services but also aims to reduce emissions, optimize product life cycles, and promote sustainable development.

4. Green production – circular economy

With a strategic orientation towards developing smart production combined with a circular economy model, Vicostone is committed to expanding the use of recycled, reused, and environmentally friendly materials throughout the entire production process. This approach aims to:

- Reduce reliance on virgin resources, minimizing the exploitation of natural resources, conserving energy, and decrease GHG emissions, thereby contributing to carbon neutrality goals;


- Create unique, durable, and aesthetically pleasing engineered quartz stone products that ensure consumer health and safety;
- Increase the proportion of recycled raw materials in total production, moving towards establishing a closed-loop, circular production chain that minimizes waste and maximizes resource efficiency;
- Develop products that are beneficial to health and the environment, meeting green consumption trends and international standards for material safety.

In 2024, Vicostone increased the proportion of recycled raw materials incorporated into its production, promoting the use of recycled materials from various sources. All recycled raw materials undergo thorough processing and inspection before being mixed into products.

Recycled raw materials	Application
Recovered products when replaced, not used (end of life)	Crushing, screening and reusing as VICOSTONE® stone aggregate
Artificial stone burrs (swarf)	Crushing, screening and reusing as VICOSTONE® stone aggregate
Mirrors, industrial glass (regular glass, tempered glass)	Creating special aesthetic effects, increasing brightness and surface texture
Reusable packaging materials	Steel racks, stone-coated nylon, wooden bars, technical plastic materials...

Ratio of recycled material usage over the years

Materials	2021	2022	2023	2024
Recycled raw materials used (mirrors, glass, shells), (tons)	248.50	230.73	118.75	716.66
Recycled raw materials ratio (%)	0.30	0.33	0.26	1.63



2024 marks an important turning point in Vicostone's sustainable development roadmap, with the number of recycled materials used in production increasing nearly sevenfold compared to 2023. Following that growth momentum, in 2025, Vicostone sets an ambitious goal of applying recycled materials in at least 20% of total product output.

This is not only a testament to the commitment to sustainable development, but also demonstrates the strategy of optimizing resources, reducing GHG emissions, and improving production efficiency.

5. Results

With a sustainable development orientation and a commitment to implementing a comprehensive ESG strategy, Vicostone has successfully built an autonomous - integrated - flexible input material control system, while promoting the use of recycled and environmentally friendly materials. This strategy helps Vicostone not only meet increasingly stringent market requirements, but also enhance competitiveness and ensure a stable and sustainable supply chain.

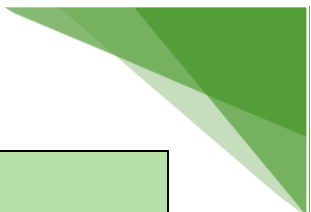
Key achievements:

- Localized >95% of raw materials to reduce import dependency.
- Proactively secured cristobalite and resin sources to ensure high input quality.
- Recycled material content reached nearly 3% in 2024 for targeting $\geq 30\%$ by 2030.
- Quality control and traceability systems to meet international standards (NSF, Greenguard, etc.).

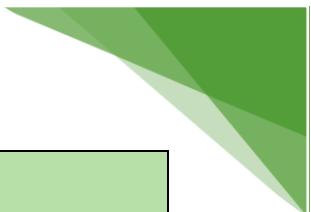
These achievements form a solid foundation for Vicostone to realize its NetZero 2050 goal and develop sustainable green production.

II. Vicostone Quartz surfaces features

No.	Characteristics	Testing methodology	Result
1	Water Absorption (% mass)	ASTM C97/C97M-18	$\leq 0.02 \%$
		BS EN 14617-1:2005	$\leq 0.02 \%$
2	Apparent density	ASTM C97/C97M-18	$2.1 - 2.3 \text{ g/cm}^3$
		BS EN 14617-1:2005	$2.1 - 2.3 \text{ g/cm}^3$
3	Flexural strength	ASTM C880/C880M-18	Fine and medium grain range: $\geq 55 \text{ MPa}$ Coarse grain range: $\geq 41 \text{ MPa}$
		BS EN 14617-2:2016	Fine and medium grain range $> 60 \text{ MPa}$ Coarse grain range: $> 40 \text{ MPa}$
4	Compressive strength	ASTM C170/C170M-17	Dried: $\geq 200 \text{ MPa}$
		BS EN 14617-15:2005	Dried: $\geq 185 \text{ MPa}$



No.	Characteristics	Testing methodology	Result
5	Chemical resistance to acids	ASTM C650-04:2014	Not affected
		BS EN 14617-10:2012	Grade C4
6	Dimension stability	EN 14617-12:2012	Grade A
7	Impact resistance	ASTM C1870-18	36-inch ball drop: ≤ 0.25 in 48-inch ball drop: ≤ 0.27 in
		BS EN 14617-9:2005	> 4 J
8	Resistance to deep abrasion	ASTM C501-84:2015	Abrasion resistance: $lw \geq 179$
		BS EN 14617-4:2012	Volume of abrasion: $V \leq 165 \text{ mm}^3$ Length of abrasion mark: $l \leq 27 \text{ mm}$
9	Thermal shock resistance	ASTM C484-99:2014	No changes after 10 cycles
		EN 14617-6:2012	No changes after 20 cycles Change in mass: $\leq 0.05\%$ Change in flexural strength: $- 8.4\% \div 5.4\%$



No.	Characteristics	Testing methodology	Result
10	Freeze-thaw resistance	ASTM C1026-13:2018	No changes after 300 cycles Change in mass: $\leq 0.09\%$
		EN 14617-5:2012	No changes after 20 cycles KMf25 = $93 \div 105\%$
11	Mohs scale of hardness	EN 101: 1991	≥ 6
12	Slip resistance	DIN 51130:2014	R9 at Honed 400
		ASTM C1028-07	<ul style="list-style-type: none"> • Dry: $0.7 \div 0.8$ (Polished/honed surface) • Wet: $0.5 \div 0.7$ (Polished/honed surface)
13	Microbial resistance	ASTM D6329-98	Resistance grade 3: Bacteria do not grow
14	Stain resistance	ASTM C 1378-04:2014	Grade A (polished surface)
15	Surface fire resistance	ASTM E84	Grade A

With a dedicated R&D team, Vicostone has delivered the most innovative and popular quartz designs in the industry.

III. Energy – The genesis of green growth strategy

In the era of green transition and sustainable development, energy is not just an vital resource for production operations; it is also a strategic lever to drive technological innovation, enhance efficiency, and build long-term growth. For Vicostone, a pioneering enterprise in the engineered stone materials sector in Vietnam, energy serves as a benchmark for operational efficiency, environmental responsibility, and the extent to which ESG commitments are realized.

Vision and commitment to action

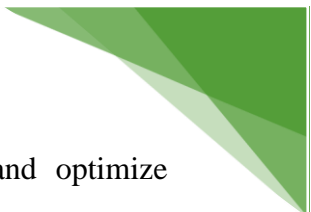
With a deep understanding of the critical role of energy amidst the global climate crisis and the low-carbon production trend, Vicostone identifies energy as one of the strategic pillars in the journey of sustainable development. Using energy efficiently, saving energy and greening the energy system is the key to reducing GHG emissions, enhancing competitiveness and moving closer to Phenikaa Group's NetZero 2050 target.

Vicostone's commitment:

- Implementing an energy management system compliant with ISO 50001:2018, ensuring strict control, continuous improvement, and transparent energy performance across all production process;
- Increasing the integration of energy-saving technological solutions and expanding the use of renewable energy, moving towards a green, smart factory model;
- Promoting communication and raising awareness among all employees regarding the economical and efficient use of resources, aligned with the Company's ESG culture.

1. ESG integrated energy policy

2024 marks a significant step forward for Vicostone in its sustainable development journey as it officially launched its energy management system in accordance with ISO 50001:2018, which has been deeply integrated into the overall ESG framework. This strong linkage between energy management and the environmental, social, and governance pillars, allows Vicostone to



proactively manage energy consumption efficiency, reduce GHG emissions, and optimize operations to international standards.

Five core principles of Vicostone's energy policy:

- Legal compliance & transparent governance: The energy policy ensures compliance with both domestic and international regulations, promoting openness and transparency in governance and decision-making;
- People-centric approach: Encourage employees to propose initiatives and enhance their awareness and responsibility for efficient and sustainable energy use;
- Prioritize clean technology, energy-saving equipment: Apply modern, environmentally friendly technology to build a green production model for long-term energy savings;
- Establish clear and achievable objectives: Establish quantitative energy targets at each management level, aligning with production and business plans and ensuring regular monitoring;
- Integration with ESG - GHG system: Policy directions are linked with emissions management (ISO 14064/14067/1468), safety, environment, and social aspects, creating a foundation for synchronized and internationally adaptable ESG operations.

2. Energy management system - ISO 50001:2018

In order to ensure effective implementation of energy policy, Vicostone has established an Energy Management Department (EMD) with a clear organizational structure and specific assignment of tasks from the decision-making level to the technical operation level. This is a specialized department responsible for comprehensively coordinating activities related to the management and optimization of energy use throughout the entire production system.



Operating mechanism – PDCA


Vicostone's energy management system operates under the Plan – Do – Check – Act (PDCA) cycle, ensuring continuous improvement of energy efficiency in practice. The main functions of the EMD include:

- Developing and issuing periodic energy goals and policies that align with Vicostone's sustainable development strategy;
- Conducting regular training and internal communications to raise awareness from the operational team to all management levels related to the efficient use of energy;
- Implementing specific action programs, such as energy-saving initiatives using Kaizen and CI methodologies;
- Applying a real-time energy measurement and monitoring systems which enhance responsiveness, accurately assesses consumption performance, and supports timely decision-making;
- Tracking and monitoring energy consumption norms, promptly detecting anomalies or waste, and issuing timely warnings and corrective actions.

3. Energy efficiency and green technology

Vicostone practices sustainable development through a strategy of using energy economically, efficiently, and environmentally friendly. With a modern production line transferred from Breton (Italy), combined with technical know-how developed by Vicostone's employees, the Company's entire production process is operated in a closed loop, without a firing stage, thereby significantly reducing energy consumption and completely eliminating emissions generated during the curing process. This is a common weakness in many other types of tiling materials.

Energy consumption at Vicostone in 2024 (Jun):



No.	Type of energy	Energy Consumption (Jun)	Proportion of energy consumption (%)
1	Electricity	47.67 x10 ¹²	83.00%
2	Solar energy	0.46 x10 ¹²	0.77%
3	Gas	7.01 x10 ¹²	8.45%
4	Diesel	4.65 x10 ¹²	7.78%
	Total	59.79 x10¹²	100%

Energy consumption at Vicostone from 2021 to 2024 (Jun):

No.	Type of energy	2021 (J)	2022 (J)	2023 (J)	2024 (J)	2024 (TOE)
1	Electricity	66.82 x10 ¹²	50.99 x10 ¹²	46.4 x10 ¹²	47.67 x10 ¹²	2,042
2	Solar Energy	0.39 x10 ¹²	0.31 x10 ¹²	0.35 x10 ¹²	0.46 x10 ¹²	-
3	Gas	14.28 x10 ¹²	9.34 x10 ¹²	7.12 x10 ¹²	7.01 x10 ¹²	167.60
4	Diesel	5.16 x10 ¹²	4.8 x10 ¹²	4.82 x10 ¹²	4.65 x10 ¹²	96.27
	Total	86.65 x10¹²	65.44 x10¹²	58.69 x10¹²	59.79 x10¹²	2,305.87

In 2024, Vicostone's total energy consumption recorded a slight increase compared to the previous year, primarily due to the shift towards product lines with more complex production processes and higher energy requirements.

3.1. Analysis by energy type

3.1.1. Electricity - Operational pillar

Vicostone's electricity consumption

(1kWh = 3.6×10^6 Joules)

Year	Total electricity consumption (KWh)	Total electricity consumption (J)	Total volume of vibro-compressed products (M ²)	Average electricity consumption (KWh / M ²)	Average electricity consumption (J / M ²)
2019	15,775,600	56.77×10^{12}	1,016,991	15.51	55.83×10^6
2020	16,399,300	59.04×10^{12}	1,150,156	14.25	51.30×10^6
2021	18,560,800	66.82×10^{12}	1,260,143	14.73	53.02×10^6
2022	14,165,100	50.99×10^{12}	844,240	16.78	60.40×10^6
2023	12,898,100	46.40×10^{12}	542,558	23.77	85.50×10^6
2024	13,239,700	47.67×10^{12}	523,840	25.27	91.00×10^6

Electricity consumption data for the period of 2019 - 2024 at Vicostone

In 2024, Vicostone's total electricity consumption slightly increased compared to 2023, even though product output (m² of pressed slabs) decreased. Consequently, the electricity consumption ratio per m² of product significantly rose, primarily due to:

- Product structure shifts: Focus on uniquely designed product lines that require more complex technology and processes;
- Decreased output, intermittent operations: Production lines did not operate at 100% capacity, leading to more frequent start-stop cycles, which resulted in higher electricity consumption.

Implementation of electricity saving solutions:

Vicostone continued to persistently implement energy control measures, and optimize operations, including:


- Upgrading major electrical equipment: Air compressors, pump motors, curing ovens, and other key equipment were reviewed and replaced as needed;
- Installing inverters for variable load equipment: This allows for flexible adjustment, leading to significant electricity savings;
- Utilizing natural light: Open designs, with light coming from roofs and walls, help reduce the need for artificial lighting;
- Real-time electricity monitoring: Electricity consumption is tracked, enabling early warnings and optimizing system performance.

3.1.2. Gas

Gas consumption at Vicostone from 2019 to 2024:

(1kg gas = 11,000 kcal, 1cal=4.184 Joules =>> 1kg gas = 45.6x10⁶ Joules)

Year	Total gas consumption (Kg)	Total gas consumption (J)	Total volume of vibro-compressed products (M ²)	Average gas consumption (Kg/m ²)	Average gas consumption (GJ/m ²)
2019	248,520	11.32 x10 ¹²	1,016,991	0.22	0.011
2020	256,414	11.69 x10 ¹²	1,150,156	0.23	0.011
2021	313,112	14.28 x10 ¹²	1,231,633	0.25	0.012
2022	212,481	9.69 x10 ¹²	873,428	0.24	0.011



Year	Total gas consumption (Kg)	Total gas consumption (J)	Total volume of vibro-compressed products (M ³)	Average gas consumption (Kg/m ²)	Average gas consumption (GJ/m ²)
2023	156,241	7.12 x10 ¹²	542,558	0.27	0.012
2024	153,786	7.01 x10 ¹²	523,840	0.29	0.013

Gas consumption data for the period of 2019 - 2024 at Vicostone

At Vicostone, gas is primarily used for the post-pressing stone curing process and for the employee canteen. Our kiln system employs automated temperature and pressure control technology, maximizing high efficiency and minimizing heat loss through oil pipelines.

Gas consumption in 2024:

- In 2024, total gas consumption decreased by 2% compared to 2023, even though the consumption ratio per square meter of product increased;
- The decline in total gas usage is attributed to stricter control measures and lower overall production output.

Solutions for efficient and economical gas use:

- Reduced gas demand in the canteen by installing a solar hot water system;
- Optimized maintenance of the kiln system to sustain high efficiency through 5S practices and controlled gas flow and pressure. This prevents over-spraying, that can generate waste and soot, as well as synchronization of thermal energy with other production systems;
- Optimized firing temperatures for low-output products improves curing quality while reducing fuel consumption;
- Piloted testing of bio-ethanol to partially replace traditional LPG helps cut costs and soot, and limits CO₂ emissions (C₂H₅OH has a lower carbon coefficient than LPG).

3.1.3. Diesel

Vicostone's diesel consumption at Vicostone

(1 kg Diesel = 42.29×10^6 Joules, 1L DO = 38.7×10^6 Joules)

Year	Diesel consumption (Liter)	Diesel consumption (JUN)	Total volume of vibro-compressed products (M ²)	Average diesel Consumption (Liter/M ²)	Average diesel consumption (GJ/m ²)
2019	120,215	4.65×10^{12}	1,016,991	0.12	0.005
2020	127,984	4.95×10^{12}	1,150,156	0.11	0.004
2021	133,460	5.16×10^{12}	1,231,633	0.11	0.004
2022	123,935	4.80×10^{12}	873,428	0.14	0.005
2023	124,697	4.82×10^{12}	542,558	0.22	0.008
2024	109,399	4.65×10^{12}	523,840	0.21	0.009

Diesel consumption data from Vicostone from 2019 – 2024

At Vicostone, diesel is primarily used for forklift operations, equipment maintenance, and running backup generators. In 2024, total diesel consumption saw a significant 22% decrease compared to 2023.

Solutions for diesel savings:

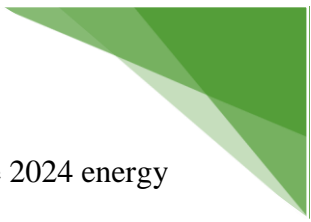
Vicostone has implemented various synchronized solutions that have considerably reduced diesel consumption:

- Optimizing internal transportation: Reviewed and reorganized lifting and moving activities, cutting down the number of forklift operations per production shift;
- Maintaining and servicing mechanical equipment: Ensured good technical condition through periodic inspections, forklift maintenance, and 5S practices in mechanical areas;
- Fuel-efficient driver training: Provided training on efficient operating techniques and monitored running hours against set norms for each stage of operation;
- Limiting the use of large capacity generators: Improved infrastructure and optimized operational capacity to avoid off-loading and reduce reliance on the 2000 kW generator (which consumes 300–350 liters per hour);
- Reducing equipment testing time: The test-run time for the 30Hp diesel pump was shortened from 5 minutes to less than 2 minutes, contributing to daily fuel savings.

3.2. Energy targets for 2025

No.	Improvement targets	Implementation solution
1	Reduce electricity consumption by 3% (kWh/m ²)	Install inverters for 45–75kW dust collectors; replace gasoline vehicles with electric vehicles.
2	Improve equipment efficiency	Reduce energy loss from air compressors, curing ovens, and mold drying chambers.
3	Reduce Diesel consumption by 10%	Review transportation, reduce generator operating hours, and provide fuel-saving training.
4	Internal training	100% of employees to be trained in efficient energy use.

- Implement energy saving improvement projects:
 - Install inverters for the 75kW dust collectors at Plant 2.
 - Install inverters for the 45kW dust collectors in the grinding and screening workshop;
 - Replace two gasoline forklifts with electric forklifts.

- 
- Reduce electricity consumption by 3% (kWh/m² of product) compared to the 2024 energy baseline.
 - Improve the efficiency of systems such as air compressors, chillers, curing ovens, and mold drying chambers to reduce energy consumption by at least 4%.
 - Reduce diesel consumption by 10% annually compared to the baseline.
 - 100% of employees to be trained on efficient energy use.

4. Energy - The pillar of a green vicostone

Vicostone is asserting its pioneering position not only through excellent product quality but also through its energy efficiency and strong commitment to global climate action. The implementation of ISO 50001, investments into green technology, and implementation of practical energy-saving initiatives has enabled Vicostone to incrementally build a low-emission, smart, and sustainable production model.

The 2021-2024 period has laid a solid foundation for Vicostone to move closer to its NetZero 2050 goal of becoming a model green factory in the construction materials industry in Vietnam and the region.

IV. Water resources management - Sustainable solutions on the NetZero journey

As a leading industrial subsidiary within Phenikaa Group, Vicostone acknowledges water resource management as a fundamental pillar in its sustainable development strategy. The Company is committed to optimizing water efficiency, minimizing environmental impacts, and ensuring the responsible extraction, use, and replenishment of water resources across all stages of production and operations.

Water sources and usage systems at Vicostone


All water consumed at Vicostone is sourced from the municipal water supply system, serving both domestic needs and the factory cooling system. Additional water is supplied for production processes. In particular, Vicostone has invested in a fully closed-loop water recirculation system within its production operations, enabling 100% reuse of treated water. This system prevents any wastewater discharge into the environment, thereby protecting water resources and the surrounding natural ecosystems.

Water use efficiency and consumption data

Overview of water consumption in 2024

Consumption category	Water volume (Mega liters - ML)
Total water consumption of the whole company	36.26
- For production	16,936
- For domestic and other purposes	19,324

Overview of water consumption from 2021 to 2024



Year	Clean water consumed in production (ML)	Warehouse product output (m ²)	Average water consumption (ML/m ²)
2021	14,178	1,253,390	0.000012
2022	13,150	931,046	0.000014
2023	15,030	699,401	0.000021
2024	15,187	721,586	0.000023

Clean water consumption data from 2021 to 2024 at Vicostone

The volume of clean water supplied for production in 2024 slightly increased compared to the previous year, aligning with the planned production expansion and increased finished product area. Although water consumption per m² of product rose, it remains within controlled limits thanks to an efficient water recirculation system.

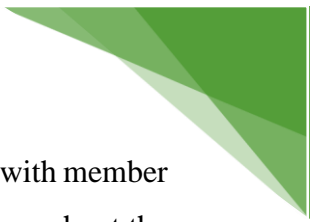
Water saving solutions in daily ooperations and production

Water-saving solutions for domestic use:

- Renovating toilets at Factory 1 and the Supply Department: installing water-efficient push-button faucets to reduce leaks and wastage;
- Internal communication and training campaigns: using visual panels and videos displayed in cafeterias and common areas to promote water conservation.

Water-saving solutions in production:

- Reuse of treated circulating water for grinding stone samples in product research and development;
- Establishment of water usage standards and area-specific monitoring: tracking actual water consumption in each area to detect anomalies and enable timely adjustments;

- 
- Extending water conservation controls along the value chain by collaborating with member companies within the Phenikaa ecosystem to apply water-saving standards throughout the supply chain.

Water circulation infrastructure system at the factory


Vicostone has completed and is operating a water recycling silo system at its production factories, ensuring the following:

- Water collection after production processes;
- Treatment to meet input standards according to QCVN regulations;
- Re-pumping treated water back into the production line.

This system enables Vicostone to operate without discharging wastewater into the environment, moving towards a green factory model and comprehensive resource circularity.

Conclusion

Effective management and use of water resources is a crucial component of Vicostone's ESG strategy and its NetZero 2050 target. With a closed-loop water recycling system in production, internal communication and training programs, alongside innovative water reuse technologies, Vicostone not only minimizes environmental impacts but also leads the way in establishing a pioneering circular and low-emission artificial stone manufacturing model in Vietnam and the region.



V. GHG emissions sources - Environmental compliance

1. GHG emission management & 2050 NetZero orientation

Vicostone - one of the leading global enterprises in engineered quartz stone production, is committed a sustainable development model that is intrinsically linked with social responsibility and environmental protection commitments. In addition to technological innovation and unique, eco-friendly product designs, Vicostone also actively implements effective production and business policies that harmonize growth with ecosystem protection.

1.1. Commitment and roadmap to reducing GHG emissions

21% reduction in GHG emissions compared to 2022

To proactively respond to climate change and contribute to global emission reduction targets, Vicostone developed a clear action roadmap to achieve NetZero GHG emissions by 2050. The core of this strategy is a comprehensive transition of its operational model to support a green economy by optimizing resources, enhancing efficiency, and adopting clean production technologies.

In research and production, the Company prioritizes the application of advanced technology, eco-friendly materials, and renewable energy to build green production processes that both reduce emissions and ensure sustainable product quality, safety for consumers and the ecosystem. Concurrently, Vicostone is planning to implement a program to develop a carbon-absorbing green fund, actively contributing to its long-term emission neutralization strategy.

1.2. Building a green and integrated production value chain

Vicostone's production value chain is scientifically planned and operates as a closed loop across three main pillars:

- Raw material supply;
- Slab production;
- Product fabrication and processing.

VICOSTONE® production value chain



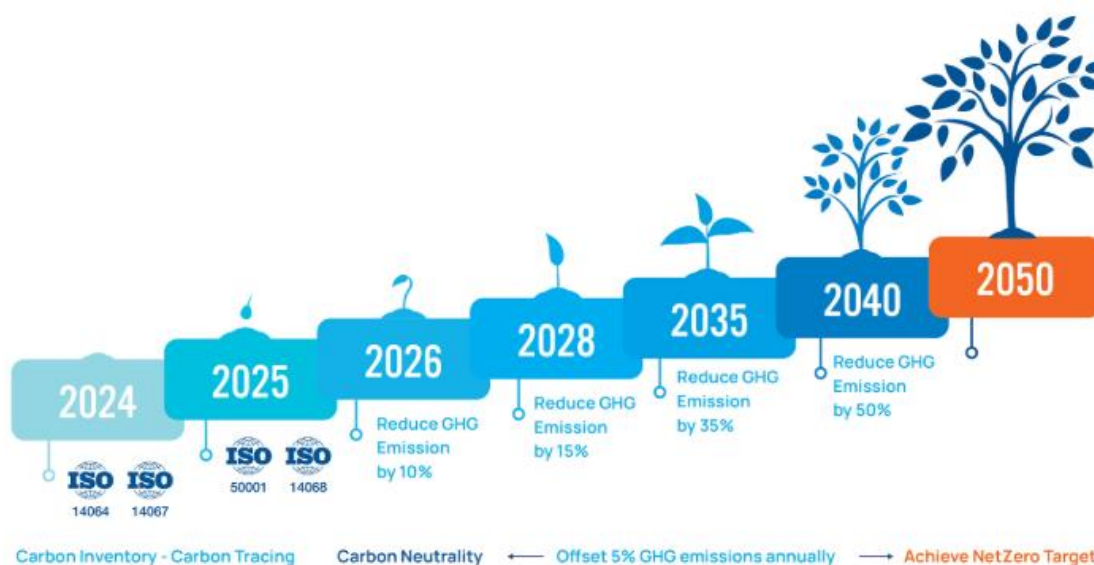
This model not only helps control product quality from input to output but also promotes technological innovation, improves efficiency across the chain, optimizes resource use and minimizes emissions at every stage of production.

1.3. Applying international standards ISO 14064 and ISO 140671

To fulfill the commitment to reducing emissions in a systematic and scientific manner, Vicostone has implemented two GHG emission management systems according to international standards:

- ISO 14064-1:2018 - Inventory and reporting of GHG emissions at the organizational level;
- ISO 14067:2018 - Product carbon footprint– Requirements and guidelines for quantification.

2024 was chosen as the base year for comprehensive GHG emission inventory activities, marking the beginning of establishing a transparent, complete, and independently verifiable emissions database. The GHGs inventoried include: CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide), and HFCs (hydrofluorocarbons) – strictly adhering to IPCC guidelines and international best practices.



1.4. Completing inventory of three emission scopes (Scope 1 – 2 – 3)

Vicostone has conducted a comprehensive GHG emissions review, covering three emission scopes:

- **Scope 1 - Direct emissions:**

From sources owned or controlled by Vicostone: fuel combustion used in production, operation of equipment or machinery, internal means of transport;

- **Scope 2 - Indirect emissions from energy consumption:**

This includes emissions related to electricity purchased from third parties for plant operations.

- **Scope 3 - Other indirect emissions in the value chain, including:**

- Upstream logistics: Transporting chemicals, raw materials and packaging materials;
- Downstream logistics: Delivery to customers and distribution partners;
- Waste and by-product treatment: Transport and treatment of waste generated from production;

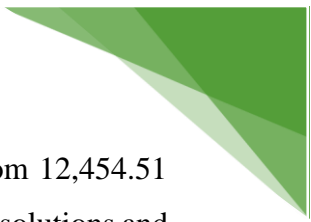
- Other support activities: Outsourcing services, ancillary suppliers that generate associated emissions.

Conducting a full and transparent inventory of the three scopes helps Vicostone identify the entire “carbon footprint” of the enterprise, thereby building a suitable action plan to reduce emissions, improve energy efficiency and move closer to the goal of emission neutrality by 2050.

1.5. GHG inventory results and emissions trends for the 2022 – 2024 period

As a key part of the NetZero 2050 plan, Vicostone has conducted a GHG emissions review according to international standards ISO 14064 and 14067. Below are detailed data and analysis of GHG emissions statistics in the last three years:

No.	Criteria	Unit	2022	2023	2024
1	Direct GHG Emissions - Scope 1	tCO ₂ e	1,064.35	847.53	1,123.07
2	Indirect GHG emissions from electric energy use - Scope 2	tCO ₂ e	11,390.16	10,180.95	8,727.61
3	Total Scope 1 & 2 GHG emissions	tCO ₂ e	12,454.51	11,028.48	9,850.68
4	Total product output (tons)	Ton	46,671.47	30,651.95	28,829.19
5	GHG Emission Intensity (Scope 1&2)	tCO ₂ e/Ton	0.2668	0.3598	0.3417
6	Indirect GHG emissions from transport and products used by Vicostone - Scope 3	tCO ₂ e	Not measured yet	Not measured yet	51,503.23
7	GHG Emission Intensity (Scope 1, 2 & 3)	tCO ₂ e/Ton	Not measured yet	Not measured yet	2.1282




Vicostone's total Scope 1 & 2 GHG emissions decreased by 21% over 2 years, from 12,454.51 tCO₂e (2022) to 9,850.68 tCO₂e (2024), reflecting the effectiveness of energy-saving solutions and operational optimization. However, emission intensity increased slightly due to reduced product output, especially when shifting to unique, differentiated product lines with more complex technological processes.

2024 is also the first year that Vicostone conducted a Scope 3 inventory, recording emissions of up to 51,503.23 tCO₂e, demonstrating the importance of expanding emissions management throughout the value chain. Therefore, actions to reduce emissions in logistics, product use and waste treatment need to be accelerated in the coming years.

1.6. Action to reduce GHG emissions (2024–2025)

In order to realize the NetZero 2050 commitment, Vicostone has been implementing many practical solutions focusing on energy saving, technological innovation and promoting circular economy:

- **Energy saving:** The goal by 2025 is to reduce 3% of electricity, 5% of gas and diesel compared to 2024 through technology improvement and effective operational management;
- **Green energy transition:** Replace 3 diesel forklifts with electric forklifts in 2025-2026; deploy a solar power system of nearly 1 MWh at Phenikaa Hue Factory to reduce dependence on grid electricity;
- **Production improvement:** Optimizing raw materials in the crushing and screening workshop, reducing the quantity of main raw materials by 0.5% and increasing the recovery rate by 2%, thereby lowering emissions and enhancing resource efficiency;
- **Promoting circular economy:** Re-using over 95% of by-products (stone powder, swarf) as input materials for the cement industry and as intermediate products. The reuse rate in 2024 reached approximately 60%, contributing to building a closed-loop, low-emission production model.



2. Managing & reducing waste sources - Comprehensive environmental protection

2.1. Waste control and process improvement

Vicostone focuses on modernizing production lines and improving technology to increase efficiency in using raw materials, optimize energy and reduce waste generation at the source.

All waste generated is classified, collected, reused and treated in accordance with regulations, ensuring risk control and environmental impact at the lowest level. In addition, the Company invests in maintaining a stable wastewater, exhaust gas and dust collection system, ensuring that environmental indicators always meet or exceed national technical standards.

2.2. Efficient water management and use

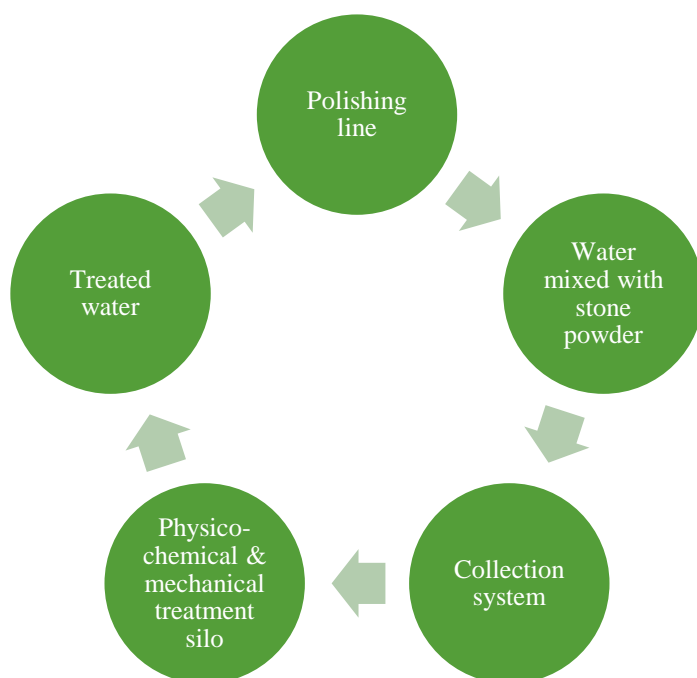
Vicostone classifies and manages water resources according to its intended use:

- **Domestic water:** Collected and treated through an advanced system, ensuring compliance with QCVN 14:2008/BTNMT before discharge;
- **Production water:** Recirculated and reused to reduce clean water consumption and minimize pollution;
- **Water used for other purposes** (watering plants, washing roads, etc.): Does not affect physical and chemical properties. No special treatment is required.

In 2024, Vicostone recorded no environmental incidents related to wastewater. This affirms its strict legal compliance and effective control systems.



Diagram of the technology system for domestic wastewater treatment




Production water circulation technology diagram

The wastewater collection and treatment system processes both domestic and industrial wastewater in a stable and efficient manner, ensuring all treated effluent is within permissible limits. Maintaining the strict operation of this system not only minimizes impact on water resources but also affirms Vicostone's commitment to protecting natural resources and fostering eco-friendly production.

Wastewater monitoring results in 2024:

- Discharge volume: 9,746 m³ (≈53.3% of licensed flow);
- Monitoring frequency: Every 3 months according to Environmental License No. 130/GPMT-UBND (Hanoi, August 14, 2023);
- Analysis results: All parameters (pH, BOD5, TSS, coliform, grease, ammonium, etc.) were within the allowable limits, meeting Column A - QCVN 14:2008/BTNMT standards, ensuring safety for receiving sources and serving domestic purposes.

100% water was circulated and reused



No.	Time	Wastewater discharge flow (m ³ /day)			Permitted wastewater discharge flow (m ³ /day)	Number of days	Total wastewater discharge flow (m ³)
		Minimum	Maximum	Average			
1	January	10	34	25.6	50	31	795
2	February	10	35	19.3	50	29	561
3	March	15	30	24.3	50	31	753
4	April	13	34	27.4	50	30	823
5	May	13	33	27.8	50	31	862
6	June	14	40	28.4	50	30	851
7	July	15	34	28.1	50	31	870
8	August	6	36	26.6	50	31	825
9	September	16	36	28.0	50	30	840
10	October	16	37	28.5	50	31	885
11	November	5	36	23.9	50	30	716
12	December	21	38	31.1	50	31	965
Total					18,300	366	9,746

Results of analyzing domestic wastewater quality after treatment

No.	Indicator	Unit	2024				QCVN 14:2008/BTNMT Column A (K=1)
			Q1	Q2	Q3	Q4	
1	pH	-	7.1	6.9	6.6	6.5	5 ÷ 9
2	BOD5	mg/L	5.2	4.8	3.1	5.62	30
3	TSS	mg/L	7.9	8.4	<5	6.4	50
4	TDS	mg/L	230	210	220	340	500
5	Animal and vegetable fat and oil	mg/L	<0.3	<0.3	<0.3	<0.3	10
6	PO ₄ ³⁻	mg/L	0.786	0.724	2.055	2.35	6
7	S ²⁻	mg/L	<0.064	<0.064	0.176	<0.064	1
8	NH ₄ ⁺	mg/L	0.304	0.283	<0.03	0.419	5
9	NO ₃ ⁻	mg/L	18.6	16.5	27.45	24.325	30
10	Total surface-active substances	mg/L	<0.05	<0.05	<0.05	<0.05	5
11	Coliform	mg/L	220	170	11	94	3,000

**Note:*

- QCVN 14:2008/BTNMT: National technical regulations on domestic wastewater;
- Column A prescribes the C value of pollution parameters as the basis for calculating the maximum allowable value in domestic wastewater when discharged into water sources used for domestic water supply purposes (with water quality equivalent to columns A1 and A2 of the National Technical Regulation on surface water quality).

2.3. Strict emission management and control for a sustainable environment

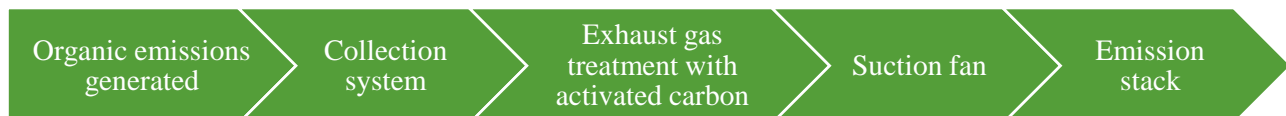
Vicostone identifies emission control as a core part of its green production development strategy. The Company implements various technical solutions in parallel to effectively treat organic emissions and dust generated during the production process.

2.3.1. Organic emissions management

Areas prone to organic gas generation, such as resin dosing, mixing, and material spreading, are designed as enclosed spaces and equipped with specialized suction and filtration systems. Organic vapors are collected at the source, treated with activated carbon filters, and then released through a 20-meter high stack before being safely dispersed into the environment.

- In 2024, the organic emission treatment system operated up to standard, ensuring that all monitoring parameters were below the threshold specified in QCVN 20:2009/BTNMT;
- Styrene was effectively controlled, at times reaching $<3 \text{ mg/Nm}^3$, 30 times lower than the limit of 100 mg/Nm^3 .

This result confirms the efficiency and stability of Vicostone's treatment technology, and demonstrates Vicostone's strong commitment to clean and environmentally safe production.



Schematic diagram of exhaust gas treatment system (Styrene)

Emission quality monitoring was periodically carried out by independent, qualified and fully licensed professional units.

All monitored parameters meet requirements and are notably many times lower than the limits stipulated in the National Technical Regulation on Industrial Emissions, QCVN 20:2009/BTNMT for several organic substances.

Emission monitoring results regarding Vicostone's organic vapor treatment system

No	Indicator	Unit	2024				QCVN 20:2009/B TNMT
			Q1	Q2	Q3	Q4	
I. Post-treatment emissions (Styrene) at Factory No.1							
1	Flow rate of emissions	m³/h	15,880	14,950	15,521.8	15,402.4	-
2	Benzene	mg/Nm³	0.45	0.51	<0.003	<0.003	5
3	Styrene	mg/Nm³	5.38	6.46	<3	1.287	100
4	Toluene	mg/Nm³	0.57	0.68	0.22	0.561	750
II. Post-treatment emissions (Styrene) at Factory No.2							
1	Flow rate of emissions	m3/h	15,880	14,950	15,521.8	15,402.4	-
2	Benzene	mg/Nm3	0.45	0.51	<0.003	<0.003	5
3	Styrene	mg/Nm3	5.38	6.46	<3	1.287	100

4	Toluene	mg/Nm ³	0.57	0.68	0.22	0.561	750
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QCVN 20:2009/BTNMT - Technical regulation on industrial emissions of organic substances

2.3.2. Management of emissions containing dust and inorganic gases

Vicostone periodically assesses the current status and arranges dust extraction and filtration systems at all locations where dust is generated, bringing it to central treatment systems to control fine dust (PM) and toxic gases.

- All dust, CO, SO₂, NO_x parameters at factories and crushing and screening plants in 2024 met QCTĐHN 01:2014 (far below the allowable threshold);
- The average measured value of fine dust (PM) only fluctuated from ~ 4–47 mg/Nm³, much lower than the standard threshold of 162–180 mg/Nm³.

A Dust filter

B Exhaust Fan

C Suction hood

D Dust Storage Tank

E Exhaust pipe

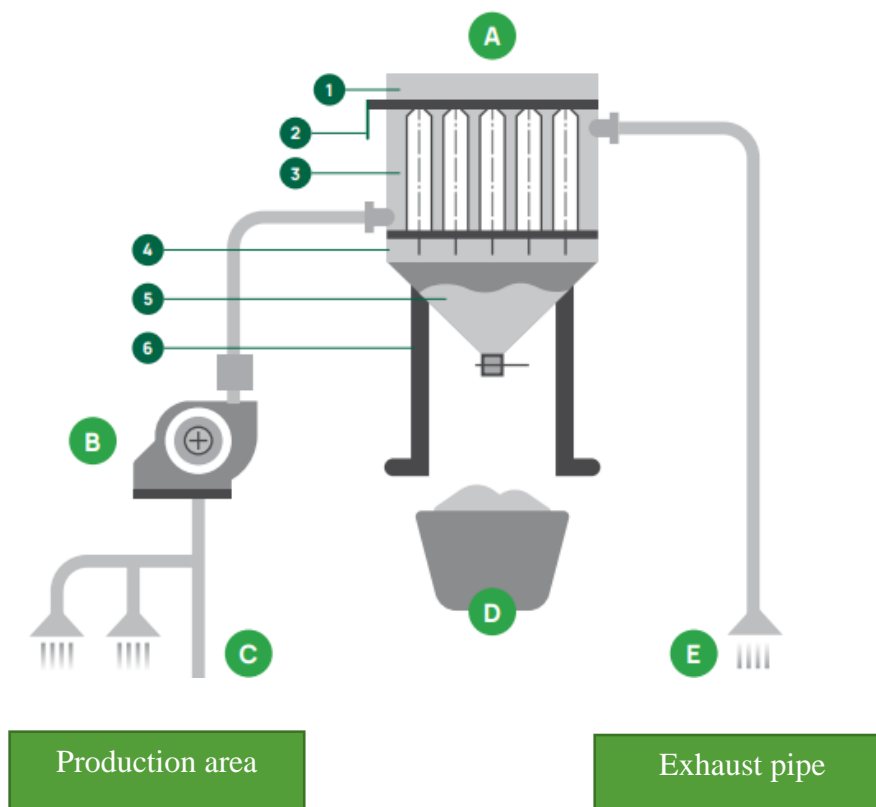
1 Clean air storage chamber

2 Dust removal arm

3 Fabric dust collector

4 Intake-air storage chamber

5 Dust storage chamber




6 Equipment base

Emission monitoring results at dust treatment system

No.	Indicator	Unit	2024				QCTĐHN 01:2014/B TNMT
			Q1	Q2	Q3	Q4	
I. Post-dust-treatment emissions at Factory No. 1							
1	Flow rate of emissions	m³/h	15,464	15,464	15,667	15,565	-
2	Total particulate matter (PM)	mg/Nm³	28.3	32.6	5.2	6.9	162
3	CO	mg/Nm³	-	-	<1.14	<1.14	900
4	SO₂	mg/Nm³	-	-	<2.62	<2.62	405
5	NO _x (in NO₂)	mg/Nm³	-	-	<0.188	<0.188	765
II. Post-dust-treatment emissions at Factory No. 1– Position 2							
1	Flow rate of emissions	m³/h	21,568	15,464	15,463	15,769	-
2	Total particulate matter (PM)	mg/Nm³	35.5	30.5	5.6	4.4	162
3	CO	mg/Nm³	-	-	<1.14	<1.14	900
4	SO₂	mg/Nm³	-	-	<2.62	<2.62	405
5	NO _x (in NO₂)	mg/Nm³	-	-	<0.188	<0.188	765

No.	Indicator	Unit	2024				QCTĐHN 01:2014/B TNMT
			Q1	Q2	Q3	Q4	
III. Post-dust-treatment emissions at Factory No. 2							
1	Flow rate of emissions	m³/h	40,412	40,694	40,977	39,564	-
2	Total particulate matter (PM)	mg/Nm³	31.5	27.4	8.3	7.1	162
3	CO	mg/Nm³	-	-	1.14	<1.14	900
4	SO₂	mg/Nm³	-	-	<2.62	6.46	405
5	NO _x (in NO₂)	mg/Nm³	-	-	<0.188	<0.188	765
IV. Emission at the crushing dust treatment system – Position 1							
1	Flow rate of emissions	m³/h	13,836	13,531	13,632	13,429	-
2	Total particulate matter (PM)	mg/Nm³	41.6	39.3	10.8	14.0	180
3	CO	mg/Nm³	0	0	<1.14	<1.14	1000
4	SO₂	mg/Nm³	0	0	<2.62	<2.62	450
5	NO _x (tính theo NO₂)	mg/Nm³	0	0	<0.188	<0.188	850
V. Emission at the crushing dust treatment system – Position 2							



No.	Indicator	Unit	2024				QCTĐHN 01:2014/B TNMT
			Q1	Q2	Q3	Q4	
1	Flow rate of emissions	m ³ /h	13,429	13,633	13,836	13,225	-
2	Total particulate matter (PM)	mg/Nm ³	36.2	34.7	11.2	11.890	180
3	CO	mg/Nm ³	-	-	<1.14	<1.14	1000
4	SO ₂	mg/Nm ³	-	-	<2.62	<2.62	450
5	NO _x (in NO ₂)	mg/Nm ³	-	-	<0.188	<0.188	850

VI. Emission at the crushing dust treatment system – Position 3

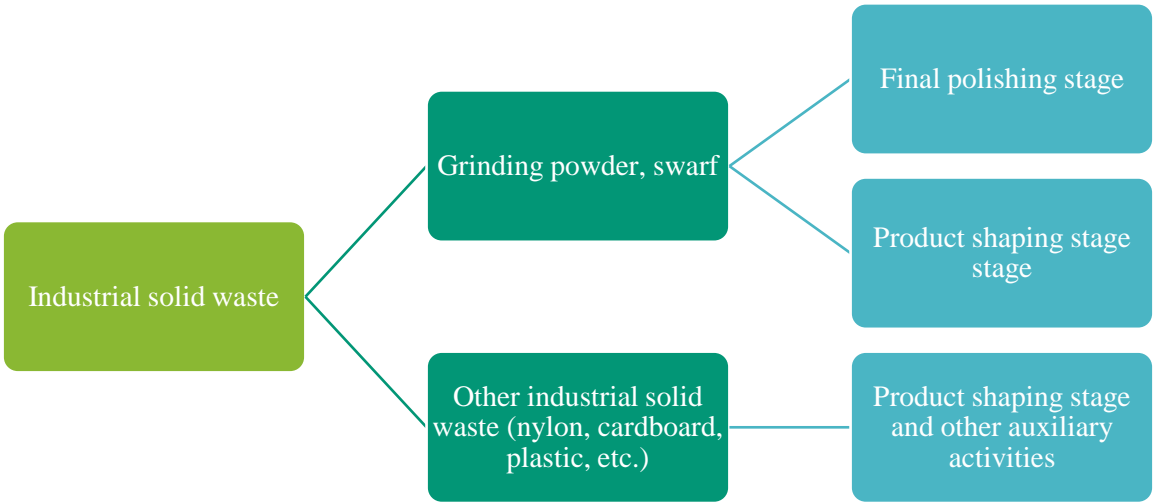
1	Flow rate of emissions	m ³ /h	13,836	12,412	12,513	12,717	-
2	Total particulate matter (PM)	mg/Nm ³	47.5	44.1	10.7	13.4	180
3	CO	mg/Nm ³	-	-	<1.14	<1.14	1000
4	SO ₂	mg/Nm ³	-	-	<2.62	<2.62	450
5	NO _x (in NO ₂)	mg/Nm ³	-	-	<0.188	<0.188	850

QCTĐHN 01:2014/BTNMT - Technical regulations on industrial emissions of dust and inorganic substances in Hanoi

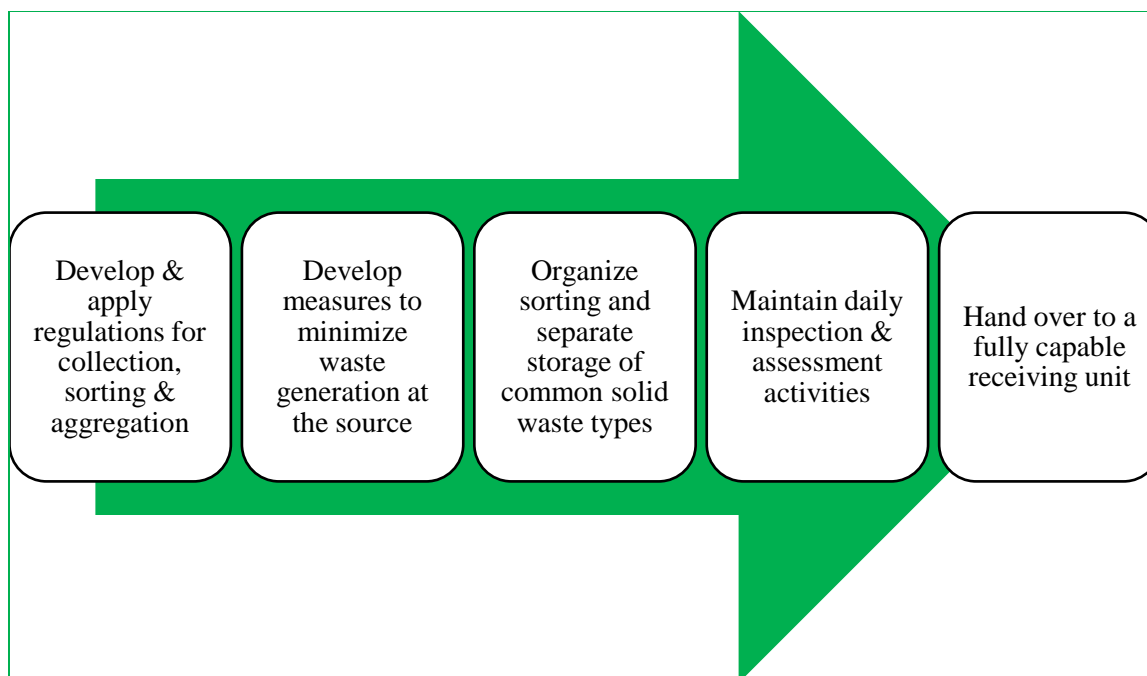
2.4. Waste management

Vicostone is committed to effective waste management to minimize environmental impacts and maximize resource generation through proper classification, reuse, and treatment. The Company implements comprehensive measures to manage industrial waste, domestic waste, and hazardous waste.

2.4.1. Management of conventional industrial solid waste



Sources of industrial waste



Some measures to control industrial solid waste


In 2024, Vicostone recorded many positive results from projects to production optimization and recycling of wastewater:

- The rate of stone powder and swarf generated decreased by 4.03% compared to 2023;
- 61.7% of common industrial solid waste was recycled and reused as raw materials for the mineral and other industries.

Reusing waste not only reduces pressure on the treatment system but also saves operating costs, contributing positively to the circular economy model.

Statistics of common industrial solid waste generated

No.	Conventional solid waste	2024 Volume (kg)	2023 Volume (kg)	2022 Volume (kg)	Treatment method
1	Stone chips, swarf and burr	4,134,000	11,913,500	28,665,850	Other treatment form



No.	Conventional solid waste	2024 Volume (kg)	2023 Volume (kg)	2022 Volume (kg)	Treatment method
		7,009,351	0	0	Preliminary processing as raw materials for production for other businesses
		22,500	0	0	Raw material for production of synthetic minerals
2	Other common industrial solid waste	233,205	151,104	173,32	Incineration treatment
Total		11,399,056	12,064,604	28,839,170	

Some key measures to be implemented in 2025:

In order to continue promoting sustainable development and actualizing the circular production model, Vicostone implements a series of key measures in 2025, focusing on optimizing resources, reducing waste and increasing reuse value, specifically as follows:

- Design optimization: Improve product design to reduce swarf, limit excess materials in the stone slab production process, contributing to saving input materials;
- Improve raw material recovery efficiency: Apply technical improvements in the crushing system to increase the standard stone powder recovery rate, while minimizing the amount of discarded raw materials, improving internal usage efficiency;

- Reduce plastic waste in production: Convert packaging from plastic bags to reusable containers, while reducing the amount of plastic film and increasing source sorting. The goal is to reduce the amount of plastic waste generated by 10% by the end of 2025;
- Develop recycled products from waste: Promote R&D activities to expand the application of stone powder and swarf in industrial fields—such as the production of synthetic minerals, unburnt materials, or auxiliary materials - thereby building a circular production base and increasing economic value for waste products.

The above measures not only helped Vicostone reduce emissions, save costs and improve efficiency but also contributed to reaching the NetZero goal and improving competitiveness in the global supply chain.

2.4.2. Domestic solid waste management

Domestic solid waste at Vicostone mainly comes from the canteen and office areas, and is collected daily by the industrial cleaning team to ensure a clean and safe working environment.

Key management solutions:

- Issued clear internal regulations on the classification, collection, and treatment of solid waste, providing specific guidelines to all employees;
- Provided waste bins with comprehensive labels, facilitating convenient waste sorting at the source;
- Organized source separation into three main categories:
 - Organic waste (e.g., leftover food, soup): Utilized for livestock farming;
 - Recyclable waste (e.g., paper, cans, bottles): Collected and stored separately;
 - Other waste: Handed over to licensed treatment facilities, in strict accordance with regulations outlined in Circular 02/2022/TT-BTNMT.
- Invested in a standardized solid waste collection warehouse system, ensuring safety, hygiene, and compliance with environmental regulations.

These synchronous solutions demonstrate Vicostone's concern and commitment to sustainable management of domestic solid waste, contributing to building a green - clean - beautiful working environment, while raising awareness of environmental protection responsibility among employees.

Statistics of domestic solid waste handed over to treatment units

No.	Domestic solid waste	Volume in 2024 (tons)	Volume in 2023 (tons)	Volume in 2022 (tons)
1	Domestic solid waste must be treated	16.2	18.7	22.8

The amount of waste handed over for treatment decreased by 13.4% compared to the previous year, showing the effectiveness of classification, reuse solutions and raising environmental awareness among workers.

2.4.3. Hazardous waste management


Vicostone strictly implements hazardous waste management (HW) in accordance with the provisions of the Law on Environmental Protection 2020, ensuring that all HW generated during the production process is safely stored, without causing risks to the environment and human health.

Main management activities

- HW is classified and stored separately in specialized warehouses, displayed with warning signs and incident prevention systems according to standards;
- Transportation and treatment are carried out by licensed units with adequate professional capacity, ensuring compliance with technical procedures and environmental standards.

HW volume and treatment methods (2023–2024)

Volume and method of hazardous waste treatment in 2022-2024



Domestic waste type	HW code	2024 Volume (kg)	2023 Volume (kg)	2022 Volume (kg)	Treatment method
Used oil	15 01 07	5,860	3,850	4,790	Incineration
Metal rigid packaging waste	18 01 02	2,340	2,195	3,200	Recycle
Plastic rigid packaging waste	18 01 03	478	135	300	Recycle
Fluorescent lamp waste	16 01 06	8	6	90	Crushing, solidification
Filter materials. oil and grease-soaked wipes waste	18 02 01	3,252	3,360	2,860	Incineration
Printer ink cartridge waste	08 02 04	3	2	8	Incineration
Lead-acid battery waste	19 06 01	105	50	25	Disassembly, recovery, chemical treatment
Welding rod waste	07 04 01	20	120	-	Solidification
Other waste organic solvents and cleaning solutions	03 02 03	8,986	6,640	3,390	Incineration
Total volume		21,052	16,358	14,663	



3. Environmental compliance

The year 2024 marks an important step forward for Vicostone in its journey to carry out its sustainable development strategy. Through the synchronous implementation of the ESG (Environmental - Social - Governance) program and the NetZero roadmap, Vicostone demonstrates its strong commitment to reducing GHG emissions, optimizing resource use and minimizing environmental impacts throughout its production and business activities.

Many internal programs like Kaizen - 5S, "Bright Friday," and the "5S Task Force" have been widely implemented, actively engaging all employees. These initiatives not only improve the working environment but also foster good habits, ignite a spirit of collective responsibility, and build a green, clean, and beautiful culture throughout the Company.

Every small action, process improvement, and creative idea, when widely spread, forms a solid foundation, helping Vicostone move closer to its sustainable development goals and a carbon-neutral future.

3.1. Law compliance as the foundation of sustainable development

Vicostone consistently maintains strict compliance with all environmental laws and regulations. In 2024:

- 0 environmental incidents;
- 0 violations and no fines;
- Environmental license valid until 2033;
- All inspections and tests passed.

Compliance control is systematically organized across multiple levels: from within the factory and specialized departments to oversight by the Group and relevant authorities. This demonstrates Vicostone's commitment to maintaining a transparent, sustainable, and reliable manufacturing ecosystems.

3.2. Fostering an environmental protection culture in every individual

Vicostone invest in more than just technology, but also invests in its people and a green mindset. Programs like Kaizen – 5S and "Bright Friday" have become crucial foundations for building good habits and enhancing a sense of responsibility among all employees.

Kaizen – 5S: Improvement from the smallest details

In 2024, Vicostone continued to extensively implement the Kaizen – 5S program as one of the important pillars of its ESG strategy and corporate culture. The program not only promoted improvements in production processes but also contributed to building a green, organized, efficient, and sustainable working environment.

- Total number of Kaizen initiatives recorded during the year: 667 initiatives, of which 618 initiatives were completed, achieving a completion rate of 92.7%;
- 35 key continuous improvement (CI) orientations were implemented concurrently, guiding initiatives linked to goals of energy saving, emissions reduction, operational optimization, and enhanced environmental efficiency.

Key indicators	2022	2023	2024
Number of employees	643	503	511
Number of accepted improvement ideas	777	628	667
Rate of recorded improvement ideas/number of employees (%)	1.21	1.25	1.31
Number of improvement ideas implemented and completed	729	602	618
Ratio of completed ideas/number of employees (%)	1.13	1.2	1.21



Practicing 5S – Systematizing the working environment:

Vicostone has established 5S as a core cultural practice in the workplace, maintained regularly and structured methodically across various levels:

- Annual 5S training for all employees;
- In-depth training for middle management (shift leaders, team leaders) delivered by experienced experts;
- On-site 5S practice according to standards, encouraging direct employee participation in maintaining and improving their work areas;
- Team meetings at the start and end of shifts to discuss work content and evaluate daily 5S practices;
- Regular performance scoring and rewards among departments, encouraging continuous improvement and replication of exemplary models.

“Bright Friday”: Nurturing green habits

The “Bright Friday” program is regularly implemented by Vicostone as a regular activity to raise awareness of environmental protection among employees, while building a green, clean, and cohesive working environment.

Main activities:

- Overall cleaning of workspaces, production floors, and common areas;
- Source-sorting waste, properly collecting organic, recyclable, and non-biodegradable waste;
- Internal communication of green living messages via notice boards, electronic screens, internal social media groups, and the canteen announcement system.

Results

- Contribute to forming good habits in maintaining workplace environmental hygiene;

- Create a tidy, clean, and inspiring work environment, fostering team spirit and internal cohesion;
- Spread the ESG spirit through even the smallest actions, helping realize the Company's sustainable development goals.

2025 Direction - Spreading green culture, elevating sustainable value

In 2025, Vicostone continues to demonstrate its steadfast commitment to sustainable development—both by enhancing internal environmental initiatives and by extending green values to the community through meaningful, people-oriented activities.

Maintaining and enhancing the effectiveness of internal programs

Vicostone aims to continue effectively implementing programs that have become foundational to its corporate culture:

- Kaizen - 5S: Intensify continuous improvement, conserve resources, boost productivity, and reduce emissions;
- Continuous Improvement (CI) Program: Focus on improvements that have a significant impact on environmental performance and production efficiency;
- "Bright Friday": Enhance awareness of environmental preservation, promoting sorting, reuse, and recycling in the workplace.


"For a Green Environment" program

To extend its positive impact beyond the Company, Vicostone will collaborate with Phenikaa Group's ESG Department to implement meaningful community activities:

Scope of implementation: Programs will take place not only within Phenikaa's subsidiary but also in residential areas, public spaces, schools, and more.

Some typical activities:

- Waste collection in residential and public areas;

- 
- "Old Batteries for Green Plants" exchange to raise awareness about hazardous waste disposal and promoting green spaces;
 - -Spreading knowledge and cultivating a reading culture by donating books;
 - Providing energy-efficient light bulbs to disadvantaged households – encouraging the use of energy responsibly;
 - Donating waste bins to schools – educating students on waste sorting and environmental hygiene.

Through these activities, Vicostone aims not only to improve the quality of the working environment but also to create positive ripple effects throughout the community and society, making substantial contributions to the entire Group's sustainable development goals.



VI. Supplier environmental assessment

1. Policies, commitments and integration in the management system

Supplier assessment is regarded by Vicostone as a key element of its ESG strategy, aiming to manage risks in the value chain, promote green innovation from input materials, and collaborate with partners to reach NetZero by 2050.

Key commitments:

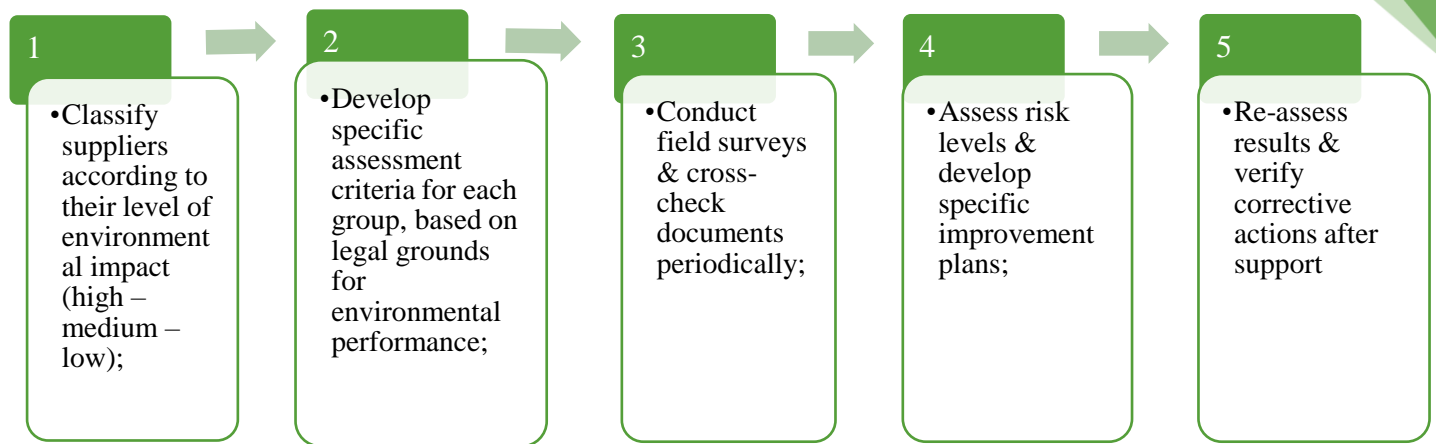
- Integrate environmental assessment into HSEQ management system (ISO 9001, ISO 14001, ISO 45001);
- Implement a Code of Conduct and Sustainable Procurement Policy, requiring suppliers to comply with environmental laws, be transparent about emissions and improve technology;
- Integrate NetZero 2050 strategy into Vicostone's supply chain: Prioritize renewable energy, green logistics, and circular production model;
- Apply criteria for selecting green suppliers, prioritizing partners with ISO 14001 and ISO 50001 certification; support to improve resource and waste control capacity and improve ESG technology;
- Actions according to the United Nations SDGs: SDG 12 – Responsible consumption and production; SDG 13 – Climate action.

From vision to action, Vicostone is cultivating a “green – efficient – responsible” supply ecosystem, where every link aligns with the shared commitment to sustainable development.

2. Supplier environmental assessment process

Recognizing the vital role of suppliers in the value chain, Vicostone has established a strict, consistent and continuously updated process of assessing suppliers on environmental aspects in accordance with international ESG standards.

Main steps:




This process not only helps in screening and assessing compliance but also acts as a tool to promote green development across the entire partner network.

3. 2024 assessment results

Assessment results:

Criteria	2023	2024	Note
Proportion of new suppliers screened by using environmental criteria	0%	0%	No new suppliers
Number of suppliers assessed on environmental impact	32	32	Key suppliers
Number of suppliers identified as having significant actual and potential negative impacts on the environment	03	03	Improvement actions taken
Proportion of suppliers identified as having significant actual and potential negative environmental impacts for which improvements have been agreed following the assessment	100%	100%	No disqualification cases



Criteria	2023	2024	Note
Proportion of suppliers identified as having significant actual and potential negative impacts on the environment and their cooperation with Vicostone was terminated following the assessment	0%	0%	No termination cases


2024 highlights:

In 2024, Vicostone completed the plan to assess all key suppliers based on environmental criteria, demonstrating its commitment to supply chain management towards sustainable development and NetZero.

- Vicostone completed assessing 100% key suppliers according to its plan, ensuring adequate control of indirect environmental risks in the supply chain;
- 03 suppliers with identified environmental risks have proactively implemented improvement plans such as: Upgrading wastewater, dust, solid waste treatment system; Reducing dependence on fossil energy, prioritizing the use of low emission fuels; Increasing internal recycling rate and waste classification at source;
- No suppliers were disqualified from the supply chain. This clearly reflects the effectiveness of the assessment method in the direction of "partnership - support - improvement".

Vicostone acts as a "green transition pioneer" not only monitoring compliance but also inspiring action in every partner across the value chain.

According to the 2024 summary, Vicostone's supply chain environmental control system is operating effectively, making a vital contribution to the realization of its overarching sustainable development objectives. Some typical examples include:

- 
- Effective control of indirect environmental risks (Scope 3), especially emissions from upstream supplier activities;
 - Promoting technology innovation partnerships, improving production processes towards resource efficiency, emission reduction, and enhancing environmental performance;
 - Strengthening the sustainability, stability, and flexibility of the supply chain, ensuring adaptability to market fluctuations and increasing demands for ESG standards.

This represents an important step in Vicostone's journey to achieve its NetZero roadmap by 2050, while actively contributing to global climate commitments and national sustainable development strategies.

4. Negative impacts and remediation measures

Key issues identified in the 2024 supplier assessment:

- Outdated waste treatment technology, fails to meet current emission standards;
- High reliance on fossil fuels, lacking direction for clean energy transition.

The measures implemented by Vicostone to provide support for its business partners:

- Technical consulting to improve technology, optimize processes, and utilize high-efficiency equipment;
- Guiding energy transition: assisting in building a roadmap to switch to LPG, solar power, and biomass;
- Enhancing waste recycling and reduction: providing training on waste sorting and reuse, moving towards a circular production model.

Vicostone did not only act as a monitoring body but also a creative partner, collaborating with suppliers to enhance their environmental capabilities.



5. 2025 direction

Key objectives:

- 100% of suppliers to be trained, engaged, and commit to environmental practices following a NetZero approach;
- Integrate NetZero criteria into the assessment, selection, and contract renewal processes with suppliers;
- 60% of suppliers to achieve ISO 14001 and ISO 50001 certifications in 2025;
- Establish a digitized supplier management system based on ESG, allowing for real-time improvement tracking.

2025 direction:

- Expand training and share tools for emission measurement and environmental performance improvement;
- Collaborate with certification bodies and global ESG networks to support Vietnamese suppliers in raising their integration standards;
- Promote the international integration and sustainable development of the artificial quartz stone production value chain.

Vicostone is committed to not just "green procurement," but also to building a comprehensively green supply chain, partnering for development and integration with the global ecosystem.

F. HEALTH AND SAFETY

I. Occupational health and safety

1. Occupational health and safety management system

In 2024, Vicostone continued to implement and operate its Occupational Health and Safety (OHS) system in accordance with international standards ISO 45001:2018 and SA8000 (Social Accountability), while fully complying with Vietnamese laws and international practices on OHS.

Board of Occupational health and safety

Vicostone established a 12-member OHS Committee on the principle of balanced representation between employers and employees (50:50) to ensure substantive participation and effective dialogue.

- 6 of the employer representatives: 3 managers, 2 employees, 1 OHS employee;
- 6 of the employee representatives: Trade Union Chairperson and 5 employee members from various departments.

Main functions and responsibilities:

- Conduct periodic risk assessments and identify potential hazards;
- Propose technical, organizational, and PPE control measures;
- Monitor the implementation of preventive and corrective actions;
- Improve working conditions and safety culture;
- Provide regular reports to leadership and regulatory bodies;
- Receive and handle safety and health feedback from employees.

The Board of OHS serves as a bridge between employees and the Company's BOD, ensuring that the working environment at Vicostone is always transparent, safe and constantly improving for a safe, humane, sustainable working environment.



2. Safe, healthy, sustainable working environment

2.1. Management according to HSEQ integrated system

Vicostone operates an integrated HSEQ (Health - Safety - Environment - Quality) management system to ensure workers' health, product quality and production efficiency.

HSEQ system objectives:

- Ensure a safe, clean and efficient working environment;
- Ensure compliance with international standards:
 - ISO 45001:2018 - Occupational Health & Safety;
 - ISO 14001:2015 - Environmental management;
 - NSF - Food Safety and Health.
- Integrate occupational safety management throughout the entire production process, minimizing disruptions due to occupational risks.

2.2. Maintain 5S - Improve discipline and efficiency


Since 2015, Vicostone has effectively maintained the 5S Program (Sort - Straighten - Shine - Standardize - Sustain) as a core element of its production operations.

Key benefits of 5S:

- Creating a clean, organized, and safe working environment.
- Enhancing workplace discipline, productivity, and self-protection awareness.
- Directly supporting OHS, quality, and sustainable development goals.

Key activities of the program:

- Periodically inspect the entire factory, under the supervision of both workers and leaders;
- Standardize safe, neat and efficient working habits;
- Increase individual and collective responsibility for the working environment.



5S is more than just a management tool; it's an integral part of Vicostone's corporate culture, embodying the spirit of sustainable development from every employee.

3. Key programs and results in 2024

Strengthen prevention – Proactive protection – Promote safety culture

3.1. Hazard identification and occupational risk control

By 2024, Vicostone had completed risk assessment and hazard identification at 100% of factories and offices, covering the entire production, operation and support processes. This is a key step in operating the OHS system according to ISO 45001.

Assessment objectives:

- To early detect hazardous factors in the working environment;
- To determine the level of risk, safety hazards and health impacts;
- To plan prevention and improvement for each job position.

Control measures taken:

- Engineering Controls for equipment improvements, machine guarding, as well as enhanced ventilation and lighting;
- Administrative Controls to update internal regulations, standardized procedures, and adjusted shift schedules as appropriate;
- PPE to provide sufficient and the correct types of PPE to the right individuals for each at-risk position.

Results:

- Reduced workplace accidents and occupational diseases;
- Increased employees' self-protection awareness and adherence to procedures;
- Contributed to building a safe, efficient, and long-term stable working environment.

For Vicostone, risk assessment is not just a compliance requirement, but a strategic management tool to protect people and maintain sustainable operations.



3.2. Comprehensive health care for employees and their families

Driven by the philosophy that "People are at the heart of sustainable development," Vicostone continuously refines its policies to care for employees' physical and mental well-being. We also extend benefits to their families, fostering a humane, stable, and efficient work environment.

3.2.1. Regular and personalized health check-ups

- 100% of all employees receive annual health check-ups at reputable medical facilities;
- Specialized examinations are added based on job requirements (e.g., ears, eyes, respiratory system, spine);
- For high-risk positions, additional check-ups are provided twice a year, along with in-depth monitoring;
- Personalized health counseling is offered, covering nutrition, mental well-being, and exercise;
- Health check results are used to adjust work assignments as needed, ensuring long-term safety and performance.

3.2.2. Humane medical insurance and support policy

- 100% employees participate in extended insurance coverage, including occupational accidents, occupational diseases, mandatory health insurance, and high-quality hospital care;

- We are pioneers in subsidizing 50% of insurance costs for one family member (parents, spouse, or child) per employee.

This demonstrates our commitment to spreading comprehensive care values throughout our corporate culture.

3.2.3. On-site medical infrastructure and proactive epidemic prevention


- Our on-site medical clinic operates 24/7, fully equipped with beds, first-aid supplies, oxygen, and breathing masks;
- Production areas are adequately stocked with medical supplies and emergency response equipment;
- Regular disinfection spraying is conducted throughout the entire factory, offices, and public areas, especially during epidemic seasons.

3.3. Training and awareness raising

In 2024, Vicostone focused on intensifying its Occupational Health and Safety (OHS) training to build a genuine, sustainable safety culture from the ground up. This combined strict adherence to legal regulations (Decree 44/2016/ND-CP and Circular 36/2016/BLDTBXH) with training content that was highly relevant to actual job tasks.

The total number of training participants for the year was 665, covering key programs as below:

No.	Training course	Month	Number of participants
1	OHS training for Group 1 employees in accordance with Decree 44/2016/BLDTBXH	7/2024	33
2	OHS training for Group 2 employees in accordance with Decree 44/2016/BLDTBXH	8/2024	4



No.	Training course	Month	Number of participants
3	OHS training for Group 3 employees in accordance with Decree 44/2016/BLĐTBXH, specifically for those performing jobs with strict requirements for OHS, as stipulated in Circular 36/2016/BLĐTBXH.	7/2024	422
4	OHS training for Group 4 employees in accordance with Decree 44/2016/BLĐTBXH for those who did not participate in training 1, 2, 3.	8/2024	144
5	Basic first aid training	3/2024	62

Results:

- 100% of all management employee and employees received training appropriate to their designated group, as per regulations;
- Enhanced awareness of occupational risks, emergency response procedures, accident first aid, and the safe handling of equipment, machinery, and chemicals;
- Increased ability to self-assess workplace hazards and proactively prevent accidents;
- Contributed to the standardization of safety skills for each occupational group, minimizing the risk of operational errors and production incidents.

3.4. OHS Culture, Communication and Education

Vicostone identifies OHS culture as the foundation for sustainable development and long-term risk management. In 2024, the Company implemented a comprehensive range of communication and educational activities to foster a spirit of proactivity, responsibility, and self-protection among every employee.

Highlight activities in 2024:

- OHS Action Month 2024 enthusiastically delivered activities across all factories and offices. The events attracted hundreds of employees;
- On-site Visual Communication by displaying safety instruction videos in canteens, factories, and public areas; posting updated notice boards on hazards, control measures, and safety statistics;
- On-site Specialized Training was focused on OHS during welding, cutting, forklift operation, and machine maintenance; fire prevention and fighting, electrical safety, chemical handling, as well as occupational hazard identification;
- Building a "3S" Culture included self-monitoring, self-improvement, and self-protection. Encouraging self-assessment and feedback on the working environment; celebrating initiatives for safety and occupational hygiene improvements.

Results:

- Increased percentage of employees capable of independently identifying and preventing risks.
- Improved safe behaviors and peer monitoring within work teams.
- Created positive changes in safety attitudes and discipline, moving towards a humane, stable, and sustainable work environment.

3.5. Participation of workers

At Vicostone, employees are not only protected but also active participants in creating a safe, healthy and sustainable working environment. This is the core principle in the OHS management system in accordance with ISO 45001 and SA8000 standards.

Key forms of employee participation include:

- Risk Assessment - Workplace Improvement where employees participate in surveys, dialogues, hazard assessments, and propose improvements to processes, PPE, and the overall work environment.

- Consultation on OHS Policies - Procedures encouraged employees to provide feedback on safety regulations, procedures, and welfare policies through the Trade Union or direct feedback.
- Reporting - Incident Resolution was a flexible internal reporting system (anonymous or direct) that ensures that all feedback and safety violations are handled promptly, transparently, and with traceability.
- Training - Communication Involvement recognizes employees are a core force in OHS Month activities, 5S inspections, emergency response drills, and internal communications.

This proactive participation has helped to:

- Increase proactivity, self-monitoring, and self-improvement within our teams.
- Enhance responsibility and cohesion within our safety culture.
- Contribute to building a safe, happy, and sustainably developing work environment.

3.6. Results

In 2024, Vicostone maintained daily OHS controls in all production areas, especially in locations with high risk factors. In parallel, the Company conducted periodic comprehensive risk assessments to ensure the ability to prevent and effectively respond to unsafe situations.

Occupational accidents in 2024:

Number of occupational accidents	Number of injured workers	Number of injured female workers	Number of injured workers in the indirect production
01	01	0	0

Although there was only one minor work accident during the year, Vicostone still fully implemented response and remedial measures, including the following:

- Providing care and support for worker's health recovery;
- Reassessing risks in the area of the incident;

- Taking additional precautions to prevent recurrences;
- Supporting the assessment of injury/disability level as a basis for compensation and ensuring legitimate rights for workers.


The results of occupational accident control in 2024 show high efficiency in risk management and reflect the reality of the OHS system at Vicostone.

4. Plan for 2025 - Proactive protection, sustainable development

In 2025, Vicostone aims to comprehensively enhance its OHS efforts based on three strategic pillars: proactive prevention, comprehensive participation, and personalized healthcare.

Key programs in 2025:

- Expanding health check-ups at Phenikaa University Hospital:
 - Strengthen specialized screening for occupational risk groups;
 - Providing personalized health consultations for both physical and mental well-being.
- Reviewing and updating OHS standards:
 - Develop specific OHS standards for each position;
 - Comply with ISO 45001, SA8000 and legal regulations.
- Innovating safety training and personalizing training:
 - Adopting modern, interactive training methods;
 - Designing training materials that are highly relevant to production realities and tailored to each personnel level.
- Fostering a Safety Culture from the Ground Up:
 - Implement the "Self-controlled safety" model for workers, where employees act as the "first supervisors" for themselves and their colleagues;
 - Launch and implement an internal communication campaign, "Safety is Culture, Health is Foundation," to spread proactive awareness and a sense of responsibility throughout the entire system.




5. Conclusion and commitment

Vicostone is steadily fostering a safe, humane, and efficient working environment, aligned with our vision of comprehensive sustainable development through the effective operation of our OHS Management System, compliant with ISO 45001 and SA8000 and integrated into the HSEQ model.

Vicostone's commitment includes the following:

- Comprehensive protection of workers to safeguard our employee's physical, mental, and financial health through a system of policies, insurance, personalized healthcare, and a standardized working environment;
- Maintaining and improving the OHS system to ensure compliance with Vietnamese laws and international standards, with a strong focus on prevention;
- Building a safety culture from the ground up to cultivate proactive awareness, promote safe behaviors, and strengthen internal discipline and trust;
- Partnering with Phenikaa Group to work towards a green, sustainable, and humane production ecosystem, along with creating positive impacts for our community and society.

For Vicostone, OHS is not only a legal responsibility, but also a strategic choice to create a sustainable future where every employee can confidently contribute and grow with the Company.



II. Customer's health and safety

1. Supporting customers in searching information

To make it easier for customers to directly access and choose products/services, Vicostone has built a widespread distribution system in more than 50 countries in five continents with more than 10,000 points of sale.

In addition to the distribution system through agent channels, the Company has effectively invested in a direct distribution system to increase customer experience.

In the U.S. Market; Vicostone currently operates 25 direct distribution centers under the VICOSTONE® brand across multiple states, including Washington, Colorado, Dallas, Illinois, Georgia, Oklahoma, Missouri, Ohio, Maryland, Massachusetts, Connecticut, New York, North Carolina, South Carolina, New Jersey, and Virginia.

In the Canadian market: there are five distribution and warehouse branches in Toronto, Montreal, Vancouver, Calgary, and Winnipeg, along with four Design Centers for sales and product presentation in Victoria, Edmonton, Ottawa, and Saskatchewan areas.

To better support customers in searching for information about our products or services, in addition to our current widespread distribution system, Vicostone also considers the following additional methods:

Digital technology applications:

- Store locator integrated on website and app allows customers to find the nearest point of sale by geographic location;
- 3D visualizer tool helps customers and experts directly design, mix colors and experience stone samples in simulated spaces such as kitchens, bathrooms, bars or showrooms;
- VR tour helps customers easily experience VICOSTONE® product space anytime, anywhere through virtual reality (VR) space;

- AI Chatbot helps to provide immediate answers to frequently asked questions and 24/7 product consultation on our website and social media.

Communication channels enhancement:

- Product search platform based on customer's needs. For example, choose products by color, stone type, application (kitchen, bathroom, etc.), and price.
- Video tutorials, reviews, and in-depth articles to increase customer understanding of the product.
- A multilingual interactive map helps international customers easily navigate and access local information.


Enhancing personalized support:

- Online consultation by appointment offers our customers an opportunity to speak with support employee via videoconference to help customers choose the right product;
- Customer profile & smart suggestions where we save information about customers' needs and previous visits for more targeted advice in the future.

PROSITE – an in-depth platform for professionals:

To serve architects, interior designers, construction contractors and distribution partners, Vicostone can expand and upgrade the PROSITE insight platform with the following features:

- Digital resource library consisting of CAD drawings, 3D models, construction instructions, technical specifications, and product quality standards;
- Online training courses and documents provide e-learning courses and video tutorials on material application, helping partners understand and use of products more effectively;
- Sales Kit consisting of customizable catalogs, digitalized product samples, presentation materials, and quick quotation creation tools;
- Project connection tools: connect design experts with contractors and agents, creating a network of cooperation and mutual support in each specific project;

- 
- Online ordering and progress tracking: to optimize the process from consulting to delivery for professional partners.

2. Fast delivery and dedicated customer care services

With six production lines capable of producing over 3,000,000m² of slabs each year and a worldwide sales system of more than 10,000 sales agencies spanning in more than 50 countries, Vicostone commits to providing the best quality products in the fastest time to consumers

To fulfill this commitment, market research and sales planning are of top priorities and are the foundation on which other operations, including production planning, material preparation and production management are closely and flexibly monitored to ensure the Company's fast delivery goals. Furthermore, the sales department is also keen on expediting documentation processes to reduce shipping time and deliver products to customers as early as possible.


Fast delivery:


- 95% of orders are delivered within 2 weeks of placement;
- 100% of orders are delivered within 4 weeks of placement.

The improvement and enhancement of customer services and post-sales services are among the Company's top investment priorities. Specifically, Vicostone emphasizes on the following activities:

Partner and agency Services

- Investment in the research, design and patent application for industrial design for supplementing products, fostering sales activities, including: shelves to exhibit products, improvements to boxing and packaging of products, and others;
- Support for partners in developing and expanding storehouses and showrooms through support in design, installation, and exhibit goods;
- Supporting policies for partners regarding models, exhibits, advertisement goods;

- 
- Supporting activities for partners regarding design and production of advertisement goods, media publications;
 - Support in search for transportation service providers for international customers purchasing with FOB pricing in the context of strong fluctuation in international shipping costs as well as scarcity in containers and shipping schedules;
 - Visitation and on-site support at partners' facilities in international markets
 - Activities to improve customers' experience and training programs for customers in the Vietnamese market:
 - In the Vietnam market, Vicostone has organized two types of training programs to enhance fabrication skills for Vicostone Authorized Fabricators (VAFs). These activities involve centralized training and on-site training. Centralized training sessions are held annually and cover a comprehensive range of topics. These include workplace safety during fabrication, detailed information and technology about Vicostone products, company policies, and the standardized global fabrication process established by Vicostone. On-site training is primarily designed for new VAF. This direct, on-site approach helps to solidify understanding and ensures more of the dealer's team benefits from the instruction.
 - Vicostone is actively engaging with industry professionals like architects and interior designers to promote brand and product experiences through various programs. Organizations, such as the National Young Architects' Clubs and the "Autumn Gathering" event organized by the Vietnam Association of Architects, for example. Vicostone representatives have also been making direct visits to hundreds of showrooms and architectural or interior design consulting offices nationwide. During these visits, they introduce Vicostone's latest products and manufacturing technologies, and connect these professionals with Vicostone's distribution dealers. Furthermore, Vicostone has been consistently maintaining and expanding its showroom experience programs for future architects. Students from nearly 20 universities across Vietnam have visited Vicostone showrooms in Hanoi, Da Nang, and Ho Chi Minh City to learn about Vicostone and gain knowledge about countertop surface materials. Vicostone



also sponsored the 14th National Architecture Student Festival in Hue, a major biennial event for architecture and interior design students across the country.

Individual customer service:

- Expansion of distribution and agency system to increase market coverage and enhance customer services to all territories in the fastest manner;
- Training and development of customer service employee that are capable of providing professional, diligent resolution of complaints;
- Regular review and improvement of procedures for the receipt and resolution of customer complaints to improve quality of services and customer satisfaction;
- Expansion of channels to receive customer feedbacks at customer service facilities, through email, 24/7 customer service hotline, and others;
- Regular survey of customer satisfaction level to promote strong points and improve on shortcomings to provide the best services that meet customers' expectations.

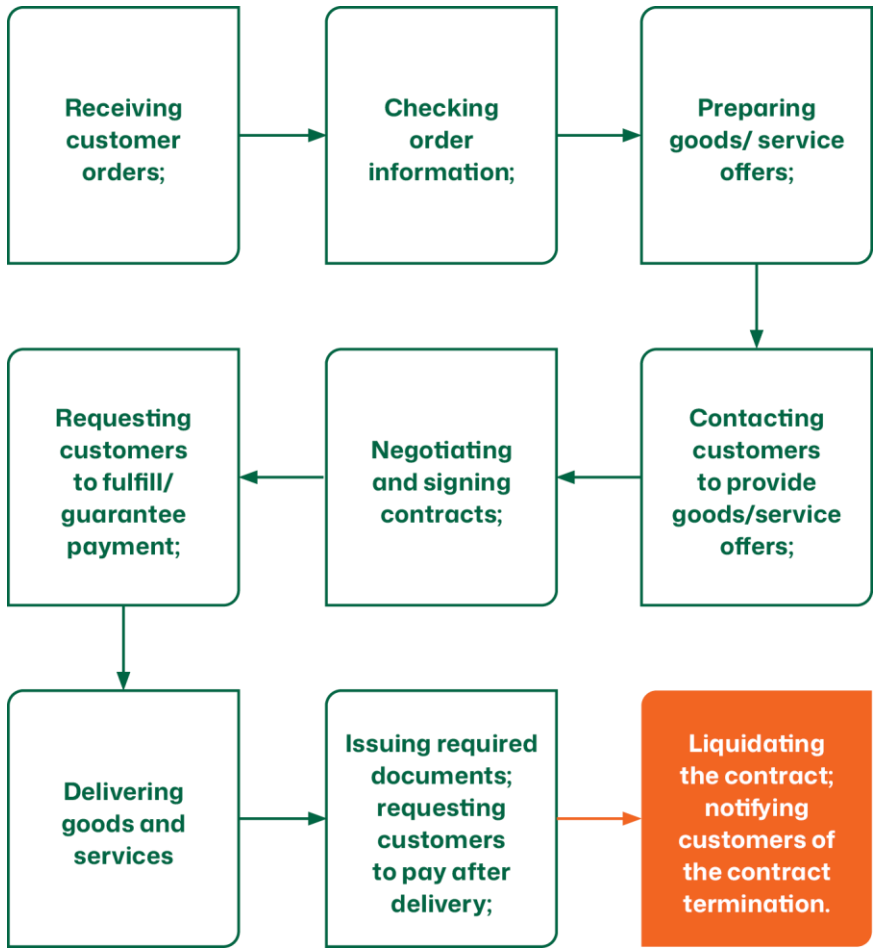
Especially, in the context of the world economy experiencing crises due to macro factors such as the political conflicts, high inflation, and tightening monetary policies of national governments to control inflation, the Company has many policies to support customers in accessing VICOSTONE® products such as providing product display support, marketing publications to introduce products, and flexible support policies for sales such as adjusting selling prices, and adjusting debt, etc. thereby improving customer experience and aiming for the highest satisfaction of customers.

3. Processing customers' orders and complaints

Vicostone has implemented a system to manage customer relations, directly engaging with numerous customers and offered a variety of standardized solutions that satisfy customers' demands before, during, and after sales.

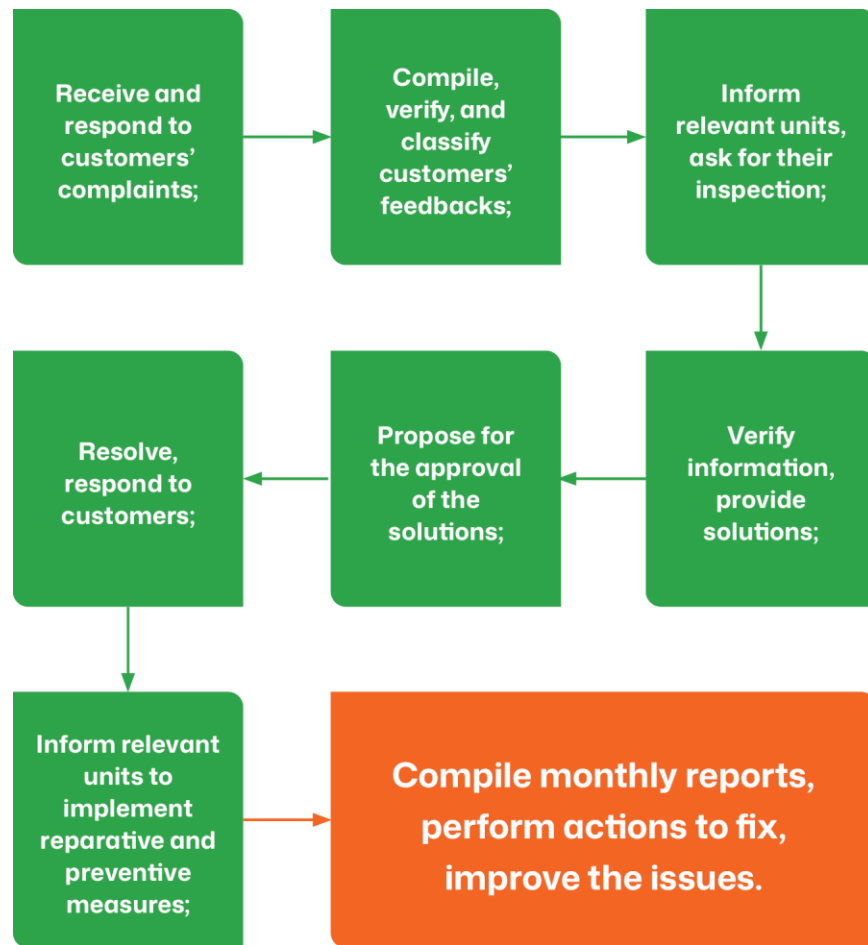
All requests, letters of communication, and orders of customers relating to the Company's products and services are recorded, updated, monitored and processed according to the Sales Procedure

(QT15) following the ISO 9001:2015 standard by the Sales Department of the Company, ensuring that all requests and orders are adequately, promptly, and accurately addressed and that customers were satisfied. Specific tasks include:



Complaint handling towards customer satisfaction is one of the main factors contributing to enhancing the Company's reputation.

All inquiries, complaints, feedbacks, and warranty requests from customers regarding the Company’s products and services are subject to the Customer Complaints Handling Procedure (QT16) following the ISO 9001:2015 standard and done by the customer services employee, ensuring that all complaints are fully and promptly addressed and resolved. Specifically:



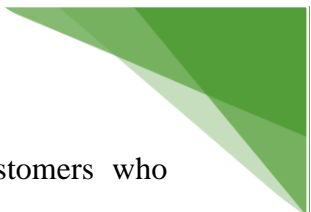
4. Customer satisfaction survey

Vietnam market: Consumer satisfaction survey

For the Vietnamese market, Vicostone conducts annual surveys to evaluate customer satisfaction across all three regions of the country. Specifically, the results of the 2024 customer satisfaction survey for products and services provided by Vicostone are as follows:

- 88% of customers are satisfied or very satisfied.
- 10% of customers are neutral.

Customers highly praised several aspects of Vicostone's services, including the purchasing process, order processing speed, payment procedures, the efficiency and quality of product fabrication as well as installation.



Furthermore, for complaint resolution, the average satisfaction score from customers who experienced an issue and received support from Vicostone was an impressive 9.5 out of 10.

International market: Distributor satisfaction survey

For international markets, Vicostone continuously improves the quality of service and support by regularly assessing the satisfaction level of customers who are distributors through activities such as:


- A periodic survey used to collect feedback from distributors on product quality, after-sales service, delivery speed and technical support quality;
- A cooperation and market development program that expands the role of distributors from simple distributors to strategic partners who help to develop the Vicostone brand locally.

Continuous feedback from surveys not only helps Vicostone understand partners' expectations but also serves as a basis for maintaining and enhancing brand position in the global supply chain.

5. Confidentiality of customer information

Vicostone always focuses on customer information security through the following forms of control:

- Signing a Non-Disclosure Agreement (NDA) with customers and partners to commit not to disclose confidential information of customers and partners to third parties and take actions to protect it; only using confidential information that customers and partners send for the purpose of exchanging and cooperating with customers and partners within the scope of work and projects being cooperated.
- Authorizing access and use of confidential information of customers and partners; Communicating to employees about the security of internal information as well as confidential information of customers and partners;
- Using an information management system to strictly controls information exchange transactions, limit the use of external applications to send information outside the system,



and limit the use of online cloud storage applications as well as forms of information backup via hard drive, USB, etc.

6. Product responsibility

VICOSTONE® products have a 15-year warranty for private homes and a 10-year warranty for commercial projects. The Company commits to:


- Receiving and handling customer complaints in the shortest time;
- Regularly carrying out corrective and preventive activities for complaint issues.

The Company always strives to improve product quality to bring the best experience and added value to customers. In addition to commitments related to product quality, the Company regularly provides guidance to customers regarding manufacturing, installation, and use through periodic training sessions and documents published on the Company's website. The Company's policy always puts customer safety and health at the center of production and product supply activities, because customers' safety and health have always been important factors in the sustainable development of the VICOSTONE® brand in international markets over the past 20 years.

With the policy of "proactive adaptation", the Company has invested in self-production and mastered the supply chain of input materials to proactively control production output quality and ensure the health and safety of customers.


VICOSTONE® products are assessed by independent laboratories and certification organizations as safe for users through the following certificates:

- GreenGuard, GreenGuard Gold: Certified that the Company's products are safe for indoor air environments, the products are approved for use in environments such as schools and health care facilities. GreenGuard certification under UL Environment ensures products meet the most stringent and comprehensive standards in the world for indoor air chemical emissions, environmental safety, and health. GreenGuard Gold certification introduces more stringent requirements and ensures safety for sensitive subjects (such as the elderly



and children), and ensures the product is acceptable for use in various environmental conditions, such as schools and medical facilities

- NSF/ANSI 51: The certificate is issued by NSF based on NSF/ANSI 51 sanitation quality standards recognizes that VICOSTONE® engineered quartz stone products are safe to use in laboratories, medical facilities, schools, and commercial food equipment
- CE: The CE certificates issued by SGS United Kingdom Limited acknowledge the products meet European standards. The CE markings, which indicate that the products have been verified and meet all safety, health, and environmental protection requirements, must appear on the products before they are sold in European market.
- EPD: The EPD (Environmental Product Declaration) Certificate issued by the Environmental Standards Certification and Development Organization (SCS Global Service), recognizing that VICOSTONE® quartz stone products are safe construction materials for the environment and are qualified to use in green building.
- HPD: The HPD (Health Product Declaration) Certificate issued by the Certificate issued by the Environmental Standards Certification and Development Organization (SCS Global Service), recognizing VICOSTONE® quartz stone products are safe construction materials for human and community health
- ASTA STANDARD: ASTA STANDARD: Certified by the world artificial stone association ASTA evaluated by SGS unit. The certificate shows that VICOSTONE products are produced by businesses with high social responsibility, meeting strict requirements on ensuring rights for workers, developing in harmony with environmental management and responsibility in the supply chain.
- Kosher: The KOSHER Certificate issued by Seal of Kosher Trust (Seal-K), recognizing that VICOSTONE® quartz stone products meet the standards on food safety in accordance with the regulations of the Jewish community.
- LBC Declare: The LBC Declare statement shows that VICOSTONE® products have a material composition that does not contain toxic chemicals, are transparently declared, and are fully compliant with standards to become materials for sustainable construction projects.
- Microbial resistance ASTM D6329 - 98: The certificate is tested at GreenGuard's laboratory (Georgia, USA), certifying that VICOSTONE® products are certified as anti-



bacterial materials, and bacteria cannot live or grow on the surface, ensuring health safety for users and the environment.

To achieve these certificates, every year 100% of VICOSTONE products, production processes, and input materials are thoroughly inspected by independent laboratories and certification organizations, ensuring 100% of VICOSTONE® products meet export standards for consumer health and safety and can be used in strict markets such as the U.S. and Europe.

Because Vicostone is a manufacturer and supplier of products and services to large customers, customers evaluate Vicostone on its effort to protect customer safety and health as well as its compliance with environmental and social responsibilities every year. The Company is committed to controlling input raw materials as well as output quality to ensure customer safety and health.

7. Research and development promotion of new products

Research and Development (R&D) has always been a key objective of the Company over the years. In 2024, the Company launched fifteen new products in the field of stone slabs and five new products serving large construction projects in the international market. These activities resulted in impressive sales during the year and also served as a driving force for boosting sales in the following years.

Connection and consultation with customers were enhanced to promote the development of new products, and launch unique product lines to meet the market's needs and tastes, contributing to increased revenue as well as bringing more added value to customers.

In addition to efforts to constantly improve current product lines, the Company also focused on investing in R&D of new products and new materials to diversify customer experiences and serve the diverse needs of customers.

G. RESPONSIBLE BUSINESS

I. Business ethics

1. Vicostone culture – The conscious business culture


Since the very first day, the sustainability of business development and the balance of interests among stakeholders are the decisive factors for all decisions and actions of the Company. Vicostone puts corporate social responsibilities as the core of the business that helps create, foster better values for the community and the future generations. Vicostone's system of three core values and seven cultural characteristics is at the heart of the Vicostone Culture – The culture of the conscious business:

1.1. Core Values

- **Credibility:** Dare to think – dare to act, integrity, sincerity and commitment to the interests of all stakeholders;
- **Pioneership:** Never stop learning, be innovative and lead the market trend;
- **Inspiration:** Commit to making products of best quality and design, meeting the demand of customers and the market.

1.2. Cultural qualities

- **Trust:** Trust built within Vicostone as well as between Vicostone and its stakeholders;
- **Accountability:** Clear, transparent, well-communicated about all aspects and among all stakeholders;
- **Care:** Cautious and honest conduct in the spirit of sympathy, sharing and recognition;
- **Transparency:** Clarity and accuracy of information, policies, plans, targets, etc.;
- **Integrity:** Honest, straightforward, serious, and committed to humanity;


- 
- **Loyalty:** Commitment, dedication, and effort;
 - **Equity:** Encouragement of free and open expression and two-way feedback (between employees and managers).

2. Stakeholder engagement


Recognizing that sustainable development can only be achieved through a holistic approach and close collaboration with stakeholders, Vicostone is committed to fulfilling its promises, ensuring a balance of interests, upholding the rule of law, and fostering relationships based on respect, cooperation, understanding, and shared growth. Stakeholder feedback, concerns, and expectations play a crucial role in shaping the Company's operations, management, and both short- and long-term strategies. Vicostone is dedicated to working alongside stakeholders to create a more inspiring, civilized, and fulfilling living and working environment every day.

The stakeholders of Vicostone are as follows:


- Shareholders & Investors
- Employees
- Customers
- Partners & Suppliers
- State agencies
- Media/ Press
- Community & Society




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
Shareholders & Investors	<ul style="list-style-type: none"> • Efficiency of business operation; • Accurate, transparent, prompt information disclosure; • Fair treatment and right among shareholders and investors; • Quality of corporate governance; improvement of corporate governance in accordance 	<ul style="list-style-type: none"> • Maintenance and development of relationship with investors and shareholders; • Compliance with transparency and information disclosure rules; • Guarantee of the rights and benefits of shareholders and investors. 	<ul style="list-style-type: none"> • Organizing of Annual/ Extraordinary General Meetings of Shareholders; Collection of written feedback; • Email address (quanhecodong@vicostone.com) and hotline – directly contact with members of the Board of Investor Relations; • Company social networking sites. 	<ul style="list-style-type: none"> • Organizing of the Annual General Meeting (AGM) of Shareholders to review business result of the past year, in addition to discussing and consolidating action plans for the future. The 2024 Vicostone AGM of Shareholders was held on April 12, 2024, with the participation of shareholders and shareholder representatives, representing more than 143.6 million shares and accounting for 89.74% of total voting shares; • Collection of written feedback among shareholders; • Ensuring that all shareholders could exercise their rights according to the




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
	<p>with global standards;</p> <ul style="list-style-type: none"> Two-way communication between shareholders, investors, and the Company. 			<p>law and Company's regulations;</p> <ul style="list-style-type: none"> Providing of full, transparent, and prompt information on production and sales to shareholders and investors; Ensurement of fair treatment among shareholders; As a listed company, Vicostone implemented and fully observed the obligations and responsibilities in accordance with the laws of securities, and promoted the brand of VICOSTONE to the investors; In 2024, Vicostone approved the payment of the dividends twice, 1st time in June 2024 - rate 20%; 2nd time in December 2024 - rate 20%.




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
Employees	<ul style="list-style-type: none"> • Safe, friendly, and discrimination-free working environment; • Fair, attractive salary and bonus policies; competitive, diverse welfare regime; • Opportunities to join training programs and develop professional competencies; • Recognition of individual achievements and contributions. 	<ul style="list-style-type: none"> • Cultivation of teamwork spirit and discipline for all employees; • Enhancement of loyalty among employees towards the Company; encourage them to prolong their careers; • Evaluation and improvement of welfare policies for the labor; 	<ul style="list-style-type: none"> • Labor Union Conference held annually; • Suggestion mailboxes located at communal zones in the Company; • Direct conversation through the Company's Human Resources Department; • Communication with line managers; • The Company's internal communication channels and social networking sites; • Company email address and phone number. 	<ul style="list-style-type: none"> • Vicostone launches measures to protect employment and income of employees. No employee was discharged due to shortage of work during the year; • Continuous improvement of the working environment, upheld solidarity, coordination via social and sports activities; • Providing educational opportunities for employees. 100% of the Company's employees were subject to regular performance reviews so that recommendations could be made to the Boards of Directors and Management on skill and professional improvement programs and the next generation of managers and leaders can be identified and trained;




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
		<ul style="list-style-type: none"> Fostering the desire for community contribution among employees. 		<ul style="list-style-type: none"> Conduct surveys to measure the happiness levels of all employees in the Company, process on feedback, and offer timely and appropriate solutions to improve the effectiveness of the administrative and sales activities of the Company.
Customers	<ul style="list-style-type: none"> Guaranteed quality of products and services; Accessibility to the information of products and services; Providing of prompt, accurate, direct information to make decisions 	<ul style="list-style-type: none"> Improvement of customers' satisfaction with the products and services provided by Vicostone; Enhancement of the popularity for VICOSTONE brands on the market 	<ul style="list-style-type: none"> Surveys, interviews about service quality, product quality, consumption trends...; Direct conversation through the Customer Service Department at the showroom and online; Company email address and phone number; Company social networking sites. 	<ul style="list-style-type: none"> Frequent conducting of market surveys to understand and predict consumer trends and thus develop product lines that satisfy the tastes and needs of customers; Expansion of the distributors' network and agencies to increase market coverage and serve customers in all regions in the fastest manner possible. Vicostone's products are now available in 34/34 provinces;




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
	<p>about purchasing the products;</p> <ul style="list-style-type: none"> • High quality of customer services; prompt response and support to customers' complaints on clear agreement terms; • Build a sustainable strategy to protect the environment. 			<ul style="list-style-type: none"> • Participate in domestic and international exhibitions to introduce and promote products to customers. In 2024, Vicostone participated in a number of major exhibitions such as: Interior Design Show - IDS Exhibition at Toronto, Canada; Vietnam Interior and Building Exhibition (VIBE) 2024, Vietbuild International Exhibition, Hanoi Key Industrial Products Exhibition 2024, etc. • To train and to develop Customer Service Department to resolve complaints professionally and diligently; • Frequent procedures review and improvement for receiving and handling customers' complaints to




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
				<p>increase service quality and customers' satisfaction;</p> <ul style="list-style-type: none"> • Expansion of customers' feedback channels: The Customer Services Department, through emails, 24/7 hotlines, etc.; • Establishment of an online sales system and implementation of demand boosting programs in the form of promotions and helping customers easily access Vicostone's products and services; • Frequent surveys of customers' levels of satisfaction to foster strengths and improve shortcomings, aiming to provide the best quality services that meet the expectations of customers.




Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
Partners & Suppliers	<ul style="list-style-type: none"> • Guarantee of fair treatment among suppliers; • Guarantee of fair, transparent cooperation based on a win-win principle; • Confidentiality of partners' information preserved from their competitors. 	<ul style="list-style-type: none"> • Assurance of cooperation on mutual respect and win-win principles; • Assurance of all stakeholders' compliance with mutual agreements and obligations; • Assurance of information confidentiality for partners. 	<ul style="list-style-type: none"> • Periodical meetings and evaluation with partners • Feedback reception through departments handling conversation and direct work with partners and suppliers; • Company email address and phone number. 	<ul style="list-style-type: none"> • Transparent exchange of information during partner evaluation and contract negotiations; • Update partner and supplier evaluation process regularly, focusing on aspects of safe production, environmental protection, and fulfilling commitments to relevant parties; • Participate in workshops and seminars to share experiences with partners in the industry, enhance the search for new cooperation opportunities; • Receive feedback through hotlines, email, direct communication, and provide timely responses.



Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
State Agencies	<ul style="list-style-type: none"> • Compliance to the laws and rules issued by both central and local governments; • Accomplishment of the obligations and duties regulated by the State; • Participate in activities launched by State agencies. 	<ul style="list-style-type: none"> • Cooperation to further improve the laws and regulations on the Company's activities; • Fulfillment of the obligations and duties required by the State; • Active and effective performance in the campaigns launched by the State agencies. 	<ul style="list-style-type: none"> • Direct conversation through business meetings, seminars, economic and sustainable development forum, etc.; • Training programs, with updating of new legal documents and regulations organized by competent agencies; • Via units and departments handling direct work with State agencies; • Email address, Company's phone number. 	<ul style="list-style-type: none"> • Updating of legal documents relevant to the Company's areas of operation; • Comprehensive and strict implementation of the Company's obligations and responsibilities towards the State; • Strictly abide by the regulations on tax obligations. In 2024, Vicostone contributes VND 223.12 billion to the State budget; • Participate in programs to raise public awareness of sustainable development and environmental protection, and cooperate with the Government in activities to improve livelihood for Vietnamese people. Vicostone with its parent company



Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
				Phenikaa has participated in multiple social programs such as supporting areas affected by natural disasters, building charity houses, and supporting families in need, fighting the pandemics, etc.
Media/ Press	<ul style="list-style-type: none"> Prompt release of accurate information for the press. 	<ul style="list-style-type: none"> Regular meetings with the press; Via direct conversation in press conferences, congresses, press-invited programs organized annually by the Company; 	<ul style="list-style-type: none"> Via direct conversation in press conferences, congresses, press invited programs organized annually by the Company; Regular meetings with the press; Company email address and phone number. 	<ul style="list-style-type: none"> Maintenance of contact with press agencies and organized press conferences for significant events as needed; Providing of accurate, regular, timely information on the Company's production and sales activities while ensuring transparency and cooperation; Establish and maintain a sharing culture to ensure equal right of access to information among press agencies.
Community & Society	<ul style="list-style-type: none"> No negative impact of the 	<ul style="list-style-type: none"> Assistance to the local 	<ul style="list-style-type: none"> Via the Office of the Labor Union - the 	<ul style="list-style-type: none"> Hiring policies suitable with local employees, contributed



Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
	<p>production on the local environment and community;</p> <ul style="list-style-type: none"> Local employment conditions; Development of economy and infrastructure for the local community, charity and voluntary activities to benefit the society such as taking care of Vietnam's heroic mothers, supporting families hit by 	<p>socio-economic development and environmental protection;</p> <ul style="list-style-type: none"> Support to the local community to achieve sustainable development; Promotion of corporate social responsibility, especially in dealing with the issues on environmental protection and social sustainability. 	<p>representative unit working regularly with the locality and community and social organizations;</p> <ul style="list-style-type: none"> Email address, phone number of the Company; Company social networking sites. 	<p>to the stable livelihood of people in the area, with local employees accounting for 80% of the total workforce;</p> <ul style="list-style-type: none"> Response to hunger eradication, poverty reduction and education development, support policy beneficiaries, environmental protection in the local areas, etc. In 2024, Vicostone kept promoting charitable events such as: organize free medical examination and distribution of drugs for veterans in Thach That province, donating light bulbs and Lunar New Year's gifts to local people, building houses of gratitude; Constant improvement of the environmental protection systems at the Company, contributed to the maintenance



Stakeholder	Major concerns	Vicostone's goal	Communicating channels	Vicostone's actions
	poverty and natural disasters, etc.			of a green-clean-beautiful and sustainable environment.

3. Code of conduct towards relevant parties

The Company has developed a happy, professional, friendly working environment that upholds constructive criticism and encourages individuals to freely demonstrate creativity and reach their full potential.

To the Employees

Vicostone believes the value and success of the enterprise are built on the creativity, passion and discipline of each company member. Therefore, the Company has developed a happy, professional, friendly working environment that upholds constructive criticism and encourages individuals to freely demonstrate creativity and reach their full potential, thus making differences and contributions to the growth of the Company. In the spirit of understanding, caring and sharing, Vicostone is home to those whose dreams are nurtured and aspirations are awakened, developed and realized.

To Shareholders and Investors


Transparency, respect, equality and cooperation form the foundation in Vicostone's relationship with investors and shareholders. The Company commits to bringing sustainable benefits to shareholders and investors through efficient business and investment activities, law abidance, and honest, prompt information disclosure to publicly report the results of corporate governance and business.

To Customers and Partners

Customers, partners and agencies are the centers for Vicostone's decision-making, assets and members, assisting the Company to realize its strategies and achieve its targets.

To Suppliers

Vicostone commits to complying with relevant laws and regulations, meanwhile adheres to the principles of fairness, objectivity, and harmonization of the interests of all parties. Vicostone



always supports suppliers in fair competition and firmly opposes illegal or unethical practices in competition.

To Competitors

Every competitor is a teacher and a friend for Vicostone to learn from and compete equally as the Company wants to keep improving its products and services, thus pushing the overall socio-economic development of the country.

To State Agencies

Vicostone pledges to honor and abide the laws on competition, environmental protection, labor, intellectual property and securities market. The Company also fulfills its obligations and duties asked by the State, stays righteous in the relationship with the State agencies, forbids any illegal and unethical actions even though they benefit the Company, and is willing to work with the regulatory bodies if needed.

To Community and Society

As a member of the community and a cell of the society, Vicostone acknowledges its key role in environmental protection. The Company is willing to partner with the State and agencies to improve the living conditions for Vietnamese people and enhance the country's socio-economic development through smart technologies and production methods as well as scientific research.

II. Anti-competitive behaviors

In a market economy, anti-competitive and monopolistic behavior will hinder the overall development of the economy, directly affect consumer rights, negatively impact social justice and create negative impacts on the economy, inertia for businesses themselves to carry out anti-competitive and monopolistic practices.

Throughout the journey of more than 20 years of establishment and development, Vicostone has always strived to create a healthy, fair and transparent business environment with stakeholders. As one of the leading reputable enterprises not only in Vietnam but also in the world in the field of premium quartz stone production, the company is committed to fully complying with the provisions of the law on anti-monopoly. Besides, Vicostone always actively builds and applies appropriate sanctions and measures to create and maintain a healthy, fair, equal and transparent competition environment. At Vicostone, we say no to commercial fraud to join hands to build an ecosystem of businesses that practice responsible business, contributing to the sustainable development of the Vietnamese business community.

To protect our intellectual properties, Vicostone is currently taking legal measures to protect its intellectual properties (IPs), execute actions against anticompetitive behaviors, monopolies and antitrust practices under the laws on Intellectual Property and Competition and other technical regulations to register for the right of its intellectual property, to limit unhealthy competition acts and handle violations in accordance with the existing legal framework.


1. Measures to protect trademarks, intellectual property rights and prevent unfair competition acts

In order to protect its IPs, creative products of employees, Vicostone has applied IP protection measures under the laws on Intellectual Property and Competition to prevent and limit unfair competition acts from competitors in the industry both domestically and internationally, including:

1.1. Registration for international and domestic IP protection

The VICOSTONE® quartz brand and products embody the crystallization of technology, intellect, experience, know-how, and the continuous innovation of Vicostone's experts, engineers, and employee. In practice, however, the unauthorized replication of trademark-related elements—including brand names, visual identities, and promotional materials—as well as the imitation or alteration of product designs, has become increasingly prevalent among competitors. Pursuing a legal complaint, a company must spend large amounts of time and money as well as navigate a lengthy procedural process. Therefore, Vicostone consistently prioritizes and actively protects its intellectual properties and brand to avoid possible risks.

- **Protection to the VICOSTONE® brand:** The Company has registered its trademark in 70 countries, including in its major markets such as the U.S., Canada, Australia, New Zealand, and the E.U. (27 countries). In 2024, the Company also filed additional registration applications in 6 countries (including Laos, Cambodia, Algeria, Jordan, etc.);
- **Protection to industrial design protection for the Company's key product designs:** Vicostone has been granted the right to use product designs transferred from the parent company – Phenikaa Group, which includes 43 industrial product designs registered in Vietnam, 19 industrial product designs registered in the U.S., and 5 industrial product designs registered in Canada, along with 2 industrial designs covering the Covelano product line (4 products) and the Cristallo product line (4 products). The Company is also in the process of registering additional industrial designs for other product designs;
- **Protection for trademarks of the Company's key product names:** The Company successfully registered 139 product name trademarks in Vietnam, 77 in the United States, 30 in Australia, and 22 in Canada;
- **Protection of inventions and utility solutions:** In 2024, Phenikaa Group (parent company of Vicostone) was granted a patent by the Intellectual Property Office of Vietnam for a bio-based vinyl ester resin synthesized from vegetable oils. The Company also filed 3 patent applications for technical solutions to improve the silica synthesis process, enhance product safety, and optimize production efficiency. In addition, an application was filed for the protection of a closed-loop water treatment solution for engineered stone production, supporting environmental



protection efforts. Furthermore, Phenikaa Group submitted 2 international patent applications related to processes and materials for engineered stone manufacturing, expanding intellectual property protection beyond Vietnam to international markets.

1.2. Technical solutions


In addition to patent registration, the Company has enhanced the registration and protection of its brand on the internet to avoid disputes and takeovers of domain names and intellectual property theft. Specifically, the Company has used a domain name identical to its brand (<https://vicostone.com/>) and invested in website domains of the Company in more than 50 countries. Vicostone's major markets such as North America (U.S. - vicostoneus.com, Canada - vicostone.ca) and other markets such as Europe (vicostone.co.uk; vicostone.fr) are provided with complete information on the products, brand, and official sales location on the respective websites of the Company. In 2024, the Company also renewed 28 of its domains, including : vicostone.de, vicostone.au, vicostone.it, vicostone.ph, etc.;

The record of the characters ® and TM was to confirm Vicostone's rights to its trademarks. At the same time, the Vicostone discloses its trademarks on all documents, websites, and so forth. Thereby, the Company could be limiting infringing behaviors, enhancing the effectiveness of IP rights protection and creating a solid basis to handle any violations.

1.3. Anti-counterfeit tools

Vicostone runs a barcode system to manage all information about the products, known as product ID. The product ID is created by the central server, transformed into a two-way barcode then labeled on the product by two methods:

- **Labelling:** All related information and the barcode of the product are printed and stamped on the product;
- **Print directly onto the product surface:** The trademark VICOSTONE ® is printed on the back of the slab with the information of the product, including the ID, date of production, number and color code. The print will remain endlessly consistent on the product.



Thus, each product is labeled with a specific barcode to ensure its traceability is responsive and accurate, making the warranty easier for customers and helping them distinguish between the genuine and the counterfeit.

1.4. Measures to ensure that the Company does not engage in anti-competitive behavior and violations of monopolistic and anti-monopoly practices

- Customers, partners and agencies are the centers for Vicostone's decision making, assets and member, assisting the Company to realize its strategies and achieve its targets;
- Every competitor is a teacher and a friend for Vicostone to learn from and compete equally as the Company wants to keep improving its products and services, thus pushing the overall socio-economic development of the country;
- Vicostone pledges to honor and abide the laws on competition, environmental protection, labor, intellectual property and securities market. The Company also fulfills its obligations and duties asked by the State, stays righteous in the relationship with the State agencies, forbids any illegal and unethical actions even though they benefit the Company, and is willing to work with the regulatory bodies if needed.

1.5. Additional protective measures

In 2024, the Company implemented further measures concerning its protection of intellectual property rights, including:

- Application of technological measures in creating a database and managing IP rights;
- Establishment and application of IP strategies and IP management policies at the Company;
- Operation of a specialized department on IP management at the Company that included members of the Legal, Brand, and R&D departments;
- Development of a specialized and intensively trained team on IP to holistically, uniformly, and systematically implement IP activities at the Company;
- Additionally, Vicostone continued to implement further internal measures to strictly protect secrets in technologies, machinery, production lines, etc., at the Company;

- Prohibition of photography/filming of production areas related to technological know-how and elements subject to confidentiality; strict control of Company entry and exit of employees/partners/ customers;
- Signature of commitment to confidentiality by all employees in which the undersigned pledged not to leak any information or documents throughout and after their term of employment at the Company;
- Requirement that partners committed to respecting the Company's intellectual rights to its brands; in transactions with foreign partners and procurement contracts, customers must commit to refrain from brand property rights infringements, and be liable for compensation in accordance with applicable laws in cases where damages were caused;
- Vicostone provided full services to its customers, including measurement, design, price offer, installation, warranty, online warranty registration, etc., in Vietnam market, thus significantly reducing the risks of counterfeit products and those that mimic the VICOSTONE® quartz stones brand;
- Vicostone provides articles advising on counterfeit products to help consumers choose to purchase genuine VICOSTONE® quartz stone with clear origins, avoiding counterfeit and low-quality products. Additionally, in 2024, Vicostone also implemented the "Great promotions - Celebrating the 22nd birthday" to mark the Company's 22nd anniversary.

2. Measures to handle violations

2.1. Measures to handle copyrights violation

If any violation of a third party is detected, Vicostone will take appropriate preventive measures or remedies in accordance with the provisions of the laws on Intellectual Property and Competition and other existing regulations.

If the individual or organization commits violation for the first time:

- Send a written request to individuals, organizations that violate Vicostone's trademarks and images, requesting for remedies within the deadline provided by Vicostone;


- Upon the remedy completion, the violating individual or organization must report the results to Vicostone and commit not to make any similar violations in the future; Vicostone also conducts regular checks and monitoring to avoid repeated violations.

If the individual or organization repeats the violation or carries out no remedy following Vicostone's second request, and the violation damages the reputation of VICOSTONE® brand, Vicostone will consider following measures:

- For individuals and organizations have partnership with the Company (Agent, Distributor, and Partner):
 - If the violation causes financial and reputable damages for Vicostone: The Company will request the violating individual or organization to pay compensations for the damages upon the laws and regulations of Vicostone;
 - If the violation causes damages to the brand and reputation of VICOSTONE®: The Company will temporarily suspend the right to use VICOSTONE® brand of the violating agency for verification, revoke or terminate the VICOSTONE® brand use right as prescribed in the agency contract, brand licensing contract.
- If the individual or organization is not in the state of partnership or connection with Vicostone: The Company will report the violations to authorized State agencies for proceedings.

2.2. Measure of the Company to monitor anticompetitive, monopolistic and antitrust practices

- The Company monitors anti-competitive, monopolistic and anti-monopoly practices integrated into the plans and monthly work results of each department in the Company. Each unit is responsible for conducting periodic inspections to detect anti-competitive, monopolistic and anti-monopoly practices;
- The Company are being fully awared of monitoring anti-competitive, monopolistic and anti trust actions, from the highest management level to grassroots employees, to ensure that the business environment is healthy and fair;

- 
- The Company is always ready to cooperate, provide information and support relevant parties to jointly fight anti-competitive, monopolistic and anti-monopoly practices to improve and optimize measures. Prevent and combat unfair behavior in the field of competition, creating a fair and civilized business environment;
 - The Company also always publicizes its actions on creating a fair competitive environment by using a variety of reporting channels to ensure that information is communicated to all stakeholders fairly, effectively. This may include Annual Reports, Financial Statements, company websites, General Meetings of Shareholders, information disclosure or periodic reports to regulatory agencies.

3. Results


During the process of 22 years of development, Vicostone has always respected the law, not engaging in anti-competitive behavior, monopolistic and anti-monopoly behavior. Instead, Vicostone focuses on building and developing a sustainable brand, continuously driving innovation to enhance the quality of its products and services. At the same time, the Company remains proactive in protecting intellectual property rights, ensuring legality and safeguarding the legitimate interests of itself, its partners, and customers in both domestic and international markets.

III. Product labeling

Vicostone is committed to providing customers with complete, transparent, and timely product information through a variety of modern and synchronized channels, specifically as follows:

- **Barcode and QR code labels:** Each Vicostone product is labeled with a barcode and QR code, containing full details of product code, batch number, and manufacturing date, enabling customers to easily and accurately verify and trace product origins;
- **Information on the back of products:** The VICOSTONE® brand name, product code, batch/serial number, and production date are printed directly on the back of each slab to rise brand awareness and trace product origins;
- **Information on the front of products:** The VICOSTONE® logo is printed on the protective nylon film covering the product surface to enhance brand authenticity. In addition, slabs are labeled with occupational safety warnings to alert fabricators and installers about the risk of silica dust exposure and emphasize the importance of following proper safety measures;
- **Multi-channel communication system:** Information on technical specifications, product features, international certifications, and warranty policies is fully updated on the official website, brochures, product binders, and integrated marketing–communication platforms;
- **PROSITE - Information platform for professionals:** Vicostone has developed **PROSITE**, a dedicated platform for architects, designers, and distribution partners, integrating sales-support tools, technical documentation, and design resources;
- **Direct distribution network:** VICOSTONE® distribution network, both domestically and internationally, not only delivers products but also ensures timely customer support and information services.

Vicostone always prioritizes the health and safety of employees and customers throughout its entire supply chain. All slabs carry clear warning labels on the risks of silica dust exposure for



fabricators and installers, along with guidance on appropriate protective measures during processing and installation.

Furthermore, Vicostone strictly complies with national and international regulations on chemical safety, construction materials, and environmental protection. In 2024, the Company recorded **zero incidents of non-compliance** related to product quality, services, or labeling —affirming its transparency, credibility, and sustainable commitment to quality in the global market.

IV. Complaints related to customer's data and privacy

Vicostone emphasizes safeguarding customer and partner data and privacy, regarding this as one of the key standards in the business operations. Information security is strictly implemented through specific control measures as follows:

Non-Disclosure Agreements (NDAs):

Vicostone signs confidentiality agreements with customers and partners, committing not to disclose information to third parties. Data is used solely for the purposes of cooperation within the scope of ongoing projects and activities, in strict compliance with confidentiality principles;

Access control and internal management:

The access of customer and partner information are managed under clear authorization protocols. The Company regularly communicates internal security policies to employees, emphasizing their responsibility in protecting partner information;

Secure information management system:

Information transactions are conducted within a tightly controlled internal system. Vicostone strictly limits the use of unauthorized external applications, non-approved cloud storage services, and peripheral devices such as USBs or portable hard drives to prevent data leakage and loss;

Handling privacy complaints:

All inquiries and complaints related to personal data and customer privacy are addressed in accordance with Procedure QT16 – the Customer Complaint Handling Process under ISO 9001:2015, responsible by the Customer Care Department.

In 2024, due to rigorous and synchronized control measures, Vicostone recorded no substantiated complaints regarding privacy violations or customer data loss—affirming the Company's governance capacity and reliability in its relationships with customers and global partners.

H. SOCIAL

I. Employment and market presence

Identifying that human resources play a particularly important role in the sustainable development of the business, Vicostone always puts its people at the center of activities, constantly improving the working environment to ensure safety, dynamics, fairness, and openness for all employees while creating opportunities for its employees to maximize their capacity, commitment, and efforts to build a career and contribute to the overall sustainable development of the Company.

1. Labor force

Vicostone's total number of employees as of December 31, 2024 was 646. The proportion of young workers under 35 years old accounted for 36.8% with dynamism, enthusiasm and creativity in work. As a company operating in the field of industrial production, the number of employees directly involved in the Company's production line is quite large, accounting for ~61.6% of the total number of employees in the Company. The male workforce also accounted for the majority (80.8%). In addition, 90.2% of the Company's employees have undergone vocational training, with 32.6% of workers having university degrees or higher, and 57.6% of workers having college, intermediate, elementary, and technician degrees. Vicostone's workers have good quality and suitable backgrounds for advanced training to meet the Company's requirements and goals.

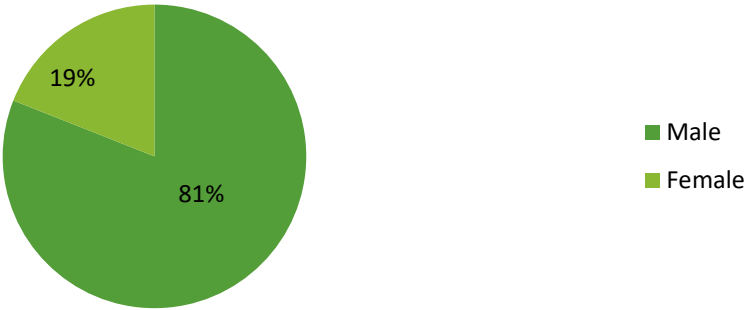


1.1. Personnel structure

1.1.1. Labor structure by qualification

No	Qualification	2021		2022		2023		2024	
		Quantity	%	Quantity	%	Quantity	%	Quantity	%
1	Graduate degree	9	1.13	8	1.00	18	2.7	20	3.1
2	Undergraduate Degree	191	23.93	193	24.78	184	27.4	191	29.6
3	Associate Degree	109	13.66	108	13.86	92	13.7	89	13.8
4	Primary and secondary vocational training	349	43.73	337	43.26	297	44.2	283	43.8
5	High School	140	17.54	133	17.07	81	12.1	63	9.8
	Total	798	100	779	100	672	100	646	100

1.1.2. Labor structure by gender



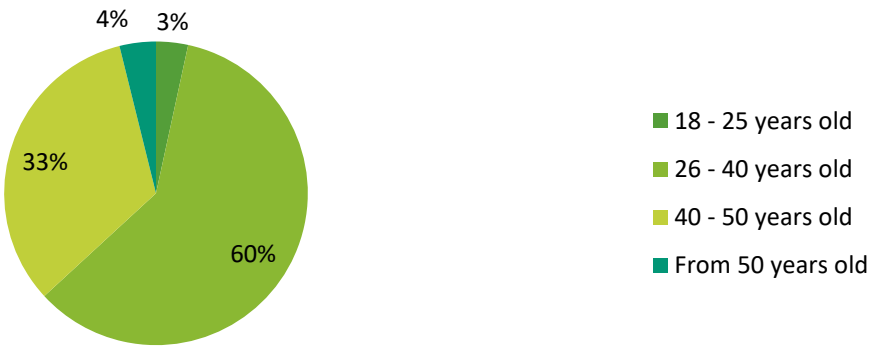
Items		2024	
		Quantity	Percentage
Gender	Male	522	81
	Female	124	19
Total		646	100

1.1.3. Labor structure by ethnicity



Items		2024	
		Quantity	Percentage
Ethnicity	Kinh	641	99.2
	Minority	5	0.8
Total		646	100

1.1.4. Labor structure by age group



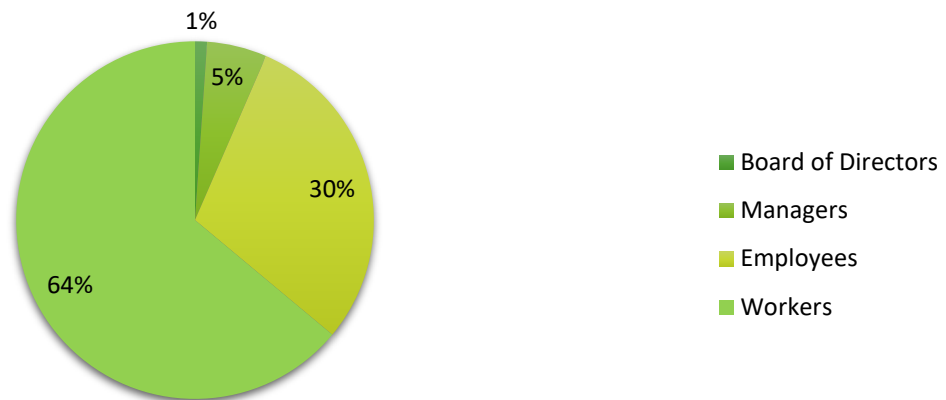
Items		2024	
		Quantity	Percentage
Age group	18 – 25 years old	22	3.4
	26 – 40 years old	386	59.7
	40 – 50 years old	213	32.9
	From 50 years old	25	3.8
Total		646	100

1.1.5. Labor structure by job category



Items		2024	
		Quantity	Percentage
Job category	Production support	8	1
	Direct production	35	5


1.1.6. Labor structure by job position



Items		2024	
		Quantity	Percentage
Job positions	Board of Directors	8	1
	<i>In which, female directors</i>	5	
	Managers	35	5
	<i>In which, female managers</i>	8	
	Employees	191	30
	Workers	412	64
Total		646	100

1.2. Personnel fluctuations in 2024

In 2024, Vicostone recorded a total of 57 employee transfers and contract terminations. In the context of a challenging global macroeconomic environment—characterized by high inflation, geopolitical conflicts, and a sluggish real estate market—many companies faced mass layoffs.



However, Vicostone maintained stability with no layoffs, underscoring the Company's commitment to job security for its workforce.

Among the 57 employees who departed, 17 were transferred to new positions within Phenikaa Group as they wanted to change jobs and advance to higher roles, while 39 employees submitted voluntary resignation letters. Among those who resigned, 92% were male and 8% were female; 17 employees were under 30 years old, 40 employees were between 30–60 years old; 97% were based in Hanoi, of which 78% were employees from Thach That District, where the Company's headquarters are located.

By maintaining a turnover rate of below 10%, Vicostone demonstrates its sustained efforts to secure jobs, income, and benefits for employees. This has enabled the Company to retain highly skilled and experienced personnel, ensuring workforce stability amid external uncertainties that posed significant challenges to business operations.


2. Salary and bonus policies

2.1. Ensuring fair and stable compensation for employees

Vicostone has established and operates its salary system based on the principles of fairness, transparency, and alignment with labor market trends, ensuring proper recognition of employees' competencies and contributions, specifically:

- For direct production employees: Salaries are determined based on job position, individual capability, and actual contribution to the output and product quality;
- For production support and office employee: Salaries are determined according to job position, professional competence, and individual performance, while ensuring competitiveness compared to the market;
- For business and sales positions: Salary is paid based on the sales of products/services.

The salary of employees is determined according to their job position, on the basis of clear and quantitative evaluation criteria, commensurate with their capacity and performance. The Company manages and records employee's performance through a competency and KPI framework - a tool



to evaluate employee capacity in a comprehensive and fair manner. Through periodic performance assessment activities, employees as well as managers clearly understand the required capacities so that they have plans for capacity building and improvement.

In 2024, the Company continued to improve and develop its salary policy based on the principle of fairness and reasonableness between the job positions in the Company, ensuring timely and fair salary payment for all employees. Salary payment time was guaranteed in accordance with the Collective Labor Agreement to prevent salary payment delays.


The Company added policies on allowances such as work allowances (gas, phone, lunch, etc.) to help employees feel secure in working and contributing to the Company. In addition, in order to encourage employees to increase their productivity and quality of work, the Company offered diverse and rich bonus policies such as:

- Periodic bonuses on special occasions (holidays, the date of establishing the Group, retreats/ team buildings etc.);
- Extraordinary bonuses (rewards for initiatives and improvements successfully applied in production, bonuses for market expansion in stages for business positions, bonuses for outstanding individuals and collectives etc.);
- Bonuses based on the results of the Company's production and business activities.

2.2. Average salary and income of workers

For probationary wages: The lowest average probationary salary paid to employees is 118% of the regional minimum wage. The average probationary salary is at least 159% of the regional minimum wage.

For starting salary: The lowest average starting salary of employees is at least 150% and the average is 210% of the regional minimum wage.



No.	Items	Unit	Lowest monthly salary in 2024	Average monthly salary in 2024
1	Regional minimum wages according to State regulations	VND	4,680,000	4,680,000
2	Probationary salary	VND	5,500,000	7,420,000
3	Probationary salary	VND	7,000,000	9,829,000
4	Average income of male employees	VND		18,913,587
5	Average income of female employees	VND		17,111,845
6	The ratio of the probationary salary of the newly recruited employee to the regional minimum wage	%	118%	159%
7	The ratio of the employee's average starting salary to the regional minimum wage	%	150%	210%
8	The ratio of the average income of male workers to the regional minimum wage	%		404%
9	The ratio of average income of female workers compared to the regional minimum wage	%		366%
10	The ratio of average income between female and male employees	%		110.5%


3. Remuneration of the board of directors and board of management in 2024

The remuneration for members of the Board of Directors (BOD) was determined based on the rates approved by the Annual General Meeting of Shareholders, ensuring compliance with the Company's Charter regarding remuneration, bonuses, and operating expenses for BOD members, as well as applicable legal regulations.

In 2024, the Company executed the payment of remuneration to BOD members in accordance with the Resolution of the 2024 AGM.

Unit: VND

No.	Full name	Titles	Income
1	Mr. Ho Xuan Nang	Chairman of the BOD	72,000,000
2	Ms. Le Thi Minh Thao	Member of the BOD (From April 2024)	42,500,000
3	Ms. Tran Lan Phuong	Member of the BOD	60,000,000
4	Mr. Nguyen Quang Hung	Member of the BOD	60,000,000
5	Mr. Pham Anh Tuan	Member of the BOD (Until April 2024)	17,500,000
6	Mr. Pham Tri Dung	Member of the BOD General Director	3,502,080,002
7	Mr. Nguyen Quang Anh	Vice General Director	2,949,826,277
8	Mr. Luu Cong An	Vice General Director	3,122,472,898
9	Mr. Nguyen Chi Cong	Vice General Director	2,772,391,507



No.	Full name	Titles	Income
10	Mr. Dong Quang Thuc	Vice General Director	2,252,361,495
11	Ms. Tran Thi Thu Huong	Vice General Director (From Sep 2024)	292,710,951
	Total		15,143,843,130

4. Vicostone's recruitment and talent policy

The Company's recruitment in 2024 did not increase in quantity compared to previous years. However, the recruitment standard for personnel quality was higher, i.e., increasing the need for recruiting highly qualified personnel in Research and Development and sales (including domestic and international sales). In 2024, Vicostone still ensured jobs for employees and recruited 32 additional employees (official number of additional employees after probation).

In addition to attracting human resources from outside, the Company's BOM also strived to maximize the capacity of existing human resources such as transferring personnel between units and appointing young managers from the planned employee.

- **New recruitment rate in 2024 by gender:**

Male: 12/32 (accounted for 37%)


Female: 20/32 (accounted for 63%)

- **New recruitment rate in 2024 by age:**

19- <30 years old: 8/16 (accounted for 25%)

30-41 years old: 24/32 (accounted for 75%)

- **New recruitment rate in 2024 by place:**



Ratio of workers recruited from the local area (i.e., Quoc Oai/ Thach That): 14/32 (accounted for 44%).

5. Welfare policy for employees

5.1. Labor contract

Vicostone signed labor contracts with 100% of the Company's employees with different contract terms (seasonal, 01 year, 03 years, or indefinite) in compliance with the law. The job description of each position, job title as well as salary, working time and other terms are clearly and specifically formulated by the Company and discussed and agreed upon with employees when signing a labor contract.

5.2. Work-life balance

- **Working time:** Vicostone has implemented a policy under which all indirect employees have Saturdays and Sundays off, while direct production and service employees are entitled to 2 Saturdays off per month on a rotational basis in addition to all Sundays—something that few industrial manufacturing enterprises are able to achieve;
- **Other leave policies:** The employee is entitled to 11 days paid-leave per year; bereavement leave for death of parents: 3-day leave; bereavement leave for death of siblings: 1-day leave, marriage leave: 3-day leave; children's marriage leave: 2-day leave; paternity leave for natural births: 5-day leave; In the case of natural childbirth, the husband is entitled to 5 days of leave, while in the case of a cesarean section, he is entitled to 7 days;

As an enterprise that has applied the SA8000 corporate social responsibility standard for many years, Vicostone always complies with the regulations on working overtime according to the provisions of Vietnamese law and even higher standards, i.e., the SA8000:2014 responsibility standard system, ensuring that the payment for employees during overtime work complies with applicable regulations.

5.3. Maternity policy

Maternity leave: Vicostone always complies with the provisions of the Labor Code on maternity leave and pays maternity leave for 100% of employees at the Company. The basic maternity leave period for all female employees at Vicostone is 06 months. This period will be increased if female employees have twins or triplets to ensure compliance with the Labor Code. For male employees, the maternity leave period when the wife gives birth is 05 days (for the wife giving birth naturally); 07 days if the wife has surgery or gives birth to a baby under 32 weeks old; 10 days if the wife gives birth to twins; and in case of giving birth to the third child or more, each additional child is entitled to an additional 03 days of leave; in case of twins or more that require surgery, they are entitled to 14 working days off.

In 2024, Vicostone did not have any female employees taking maternity leave to return to work before the deadline prescribed by law. The number of employees taking parental leave is 54 people (16 women; 38 men). The ratio of female employees returning to work at Vicostone after maternity leaves is 100%; 100% of these 54 employees are retained for at least 12 months from the time they return to work after their parental leave. The female employees on maternity leave got fully paid in accordance with social insurance policies as well as bonus payments for holidays. The Company ensures full work for people returning from maternity leaves so that they may resume their old positions.

In addition, to create the best conditions for female employees to have time to take care of their children, upon the end of their maternity leaves and coming back to work, the Company exercises the reduction of 1 hour of work per day for female employees taking care of children under 12 months of age.

5.4. Pension

For employees who are eligible for retirement but continue to work at the Company, Vicostone shall pay the entire insurance to the employee's monthly salary (21.5% of the employee's fixed salary).

5.5. Other welfares

- Free meals for employees at cafeterias with nutritious and safe diets;
- Housing support (apartments): The Company offer apartments to employees with preferential prices and interest rates to address employees' housing needs and help them to find stable residency and assurance in working;
- Organize regular activities to demonstrate affection towards employees such as year-end parties, birthday parties, anniversaries, 8/3, 20/10, 22/12 etc. These are occasions to connect members with each other and demonstrate the Company's concern for employees' well-being;
- Maintain charity and social works, visit and encourage workers in illness, deaths of loved ones, joyous occasions, call on members to contribute to the establishment of the "Golden hearts" fund to support and help members in distress;
- In addition, to enable employees to work with peace of mind and foster long-term commitment to the Company, since 2009, Vicostone has established an on-site kindergarten for employees' children and provides full support for tuition fees, facilities, and equipment for children attending the Vicostone Kindergarten;
- Providing financial support (VND 100,000/child) for employees to send their children (aged from 3 months to under 6 years old) to preschools.

II. Social responsibility standards

Vicostone is committed to conducting business sustainably, focusing on economic efficiency, social and environmental factors. Specifically, the Company applies the SA8000 standard, with particular emphasis on three important aspects:

- prohibition of forced or child labor;
- non-discrimination;
- freedom of association and collective bargaining.

1. Forced of compulsory or child labor

Vicostone strictly prohibits all forms of forced labor, slavery, or any type of labor that is not voluntarily performed by the worker. The Company is committed to complying with national laws related to forced labor.

The Company firmly opposes and does not employ child labor (under 15 years old) in any form, adhering to the regulations of Vietnamese law regarding children's rights. The Company has established transparent recruitment processes, rigorously verifying the age of workers through valid identification documents, ensuring that all workers voluntarily sign employment contracts and fully understand the terms of employment. Concurrently, Vicostone has issued its Internal Labor Regulations, Collective Labor Agreement, and implemented regular control and monitoring measures at all operational facilities, to ensure there are no signs of forced or child labor. Feedback and suggestion mechanisms are securely confidential, allowing employees to report any suspicions of forced labor or child labor without fear of retaliation. All reports are thoroughly investigated and addressed in a timely manner.

Furthermore, the Company conducts periodic training sessions to raise awareness among all employees, especially management and HR departments, about issues related to forced and child labor, including warning signs and reporting procedures.

2. Ensuring non-discrimination


Vicostone is committed to building a diverse, inclusive, and respectful working environment where all employees are treated equally and have development opportunities based on their capabilities and work performance. This includes prohibiting discrimination based on race, color, gender, religion, political opinion, national origin, age, disability, marital status, sexual orientation, or any other personal characteristic unrelated to job requirements.

Regarding its Recruitment Policy and Performance Appraisal Process, the Company applies recruitment policies and performance appraisal processes based on the competence, skills, and experience of candidates and employees, ensuring fairness and transparency in all decisions. The Company also organizes training programs to raise employee awareness about the importance of respect and equality in the workplace and establishes effective compliance procedures so employees can report any discriminatory behavior. All complaints are thoroughly investigated, and appropriate actions are taken. Regular reviews are conducted to ensure no instances of recorded discrimination are overlooked. The Company strives to create a workplace where all employees feel respected, heard, and have the opportunity to contribute fully to the Company's success.

3. Respect for freedom of association and collective bargaining

The Company respects employees' freedom of association and collective bargaining rights as stipulated by Vietnamese law, through its Regulations on Democracy and Collective Labor Agreements. Vicostone is committed to facilitating employees' exercise of these rights voluntarily and without interference or punishment, and does not hinder the establishment of or participation in legal trade unions or labor associations by employees.

Annually, the Company organizes regular meetings and maintains effective communication and consultation channels with employee representatives to develop and adjust the collective labor agreement, ensuring that employees' rights and benefits are respected and protected.



Vicostone is committed to continuously fostering an open environment and respecting employees' rights to freedom of association and collective bargaining.

Conclusion

Vicostone recognizes the importance of adhering to international labor standards such as SA8000 and sustainable development principles. The Company is committed to continuous efforts to improvements of its human resource management practices, ensuring a fair, safe, and respectful working environment for all employees. We believe that strictly fulfilling these commitments not only benefits employees but also contributes to the Company's sustainable development and reputation in the market.

III. Education and Training

At Vicostone, training and human resource development are always identified as top strategic investment priorities to ensure the successful implementation of the company's long-term sustainable development strategy.

With a vision of building a high-quality workforce—equipped with comprehensive knowledge, skills, and an innovative mindset—Vicostone considers human resources not only the foundation of business operations but also a key driver of sustainable competitive advantage for the future.


To realize this vision, Vicostone has developed a training system and programs aligned with the overall strategic orientation of Phenikaa Group, while also implementing mechanisms that encourage and maximize the personal development potential.

Through training, Vicostone aims for the 4 following goals:

- Enhancing professional expertise: Strengthen employees' knowledge of their current roles and help them master their professional skills to effectively fulfill assigned tasks;
- Fostering proactive and creative thinking: Encourage employees to develop a strong sense of responsibility, self-discipline, and the ability to generate innovative solutions that improve work efficiency;
- Improving adaptability: Prepare employee to adapt effectively to rapid technological changes, new operational requirements, and unpredictable market fluctuations;
- Increasing employee engagement: By designing training programs that address higher-level personal development needs based on Maslow's hierarchy, Vicostone cultivates a cohesive work environment where employees feel valued and are inspired to commit to the Company long-term.

1. Training method

Annually, Vicostone develops a training plan based on two key foundations:


- 
- The needs for improving the capacity of its existing human resources towards its development goals;
 - Personal development's needs of the employees to meet job requirements.

Based on the established competency dictionary and competency framework, the Company's managers periodically assess the competencies of employees within their respective units. This evaluation process identifies the competency gap (GAP) between the actual capabilities and the standard requirements for each job position, thereby enabling the proposal of appropriate training programs to close these gaps. This activity ensures that the Company's workforce consistently possesses the necessary competencies and skills to effectively achieve business and production objectives.

In parallel with planned training programs, Vicostone encourages each employee to proactively propose training initiatives aimed at developing their personal capabilities. The Company facilitates employees' participation in professional training courses, scientific seminars, and other capacity-building activities to enhance their knowledge, skills, and personal value. Training at Vicostone is conducted consistently according to the Training Procedure (QT-11) issued by the Company's General Director. Every year, based on the approved training plan, the HR Department monitors and implements training throughout the Company. In addition, training implementation targets are included in the indicators used to measure monthly work performance of each department, making training and human resource development one of the key tasks of the Company. The training is monitored and evaluated monthly and used to manage the performance of departments and managers/leaders.

Vicostone's training programs are built to suit each target group, and use diverse training forms such as:

- On-the-job training;
- Phenikaa Group's e-learning training system;
- Training in classes.




Placing people at the heart of the operation, Vicostone always listens to the expectations of its employees and creates conditions for each employee to maximize their strengths at work and find a clear vision of their career roadmap. Vicostone understands that only when the basic needs of each member are recognized and guaranteed, can employees be more engaged, dedicated and productive. Vicostone's policies and training programs are designed to equip employees with core knowledge and skills of the business, and updated knowledge and skills to adapt to the development trends of the economy, ensuring the sustainable development of the Company.

With the typical features of the manufacturing industry, Vicostone's training policy is different from that of other enterprises in the same industry:

- Focus on internal training to improve professional capacity, especially updated knowledge of technology trends, digitization, current management trends, application of scientific and technological advances to the work;
- Develop a separate program to improve the capacity of current leaders and managers as well as future leaders/ managers;
- Organize training to improve the core competencies of the Company in a unified roadmap and association with actual work;
- Equipping employees with new and essential skills aligned with economic development trends, enabling Vicostone employee to proactively adapt to changes and ensure the Company's sustainable growth.

2. Training program in 2024

As the global sustainability landscape evolves, organizations must adapt to changing expectations and anticipate emerging trends that will define the future of sustainable business, Vicostone's training programs have focused on raising awareness and practical implementation of NetZero and ESG initiatives. In 2024, the Company conducted training courses on NetZero awareness and calculation methods. Moving forward, in 2025, Vicostone will continue with a second course of training on ESG awareness and sustainability reporting frameworks. Previously, in 2017, the Company provided specialized training to enhance awareness and skills for its experts in



developing Sustainability Reports based on the GRI Standards framework. Training activities are implemented in a comprehensive and consistent manner, closely aligned with the Company's long-term development strategy. These efforts contribute to enhancing internal capabilities, reinforcing the commitment to sustainable development, and strengthening Vicostone's competitive advantage.

Additionally, under the intense pressure of labor market competition, Vicostone has placed greater emphasis on training programs to enhance workforce quality through:

- Professional and technical skills training to improve job expertise and performance;
- Soft skills development, fostering a continuous learning culture, and strengthening adaptability and flexibility in the workplace, enabling employees to advance further in their careers.

In 2024, the Company continued to effectively implement the online training platform (E-learning) by expanding diverse training materials and continuously updating knowledge to align with practical needs, allowing employees to flexibly manage their learning schedules. The online training website <http://elearning.phenikaa.com> recorded over 5,000 training sessions throughout the year.

At the same time, Vicostone rolled out extensive soft skills training programs for all employees, categorized into different groups. Specifically, the training programs included: 01 leadership class, 02 management classes, 02 classes for engineers and bachelor's degree holders, and 11 vocational training classes for production workers.

The widespread implementation of soft skills training received positive feedback and enthusiastic participation from employees, fostering stronger internal connections within the Company and ultimately enhancing productivity and operational efficiency.

In 2025, Vicostone's training activities focused on the following areas:


- Orientation and integration training for new employees of the Company;

- Training on occupational safety, fire hazards, and mandatory courses in accordance with the laws;
- Specialized training, particularly internal courses on production technologies, operations, and systemic training (ISO, Kaizen-5S) to update knowledge and skills for production employees;
- Position-based skill training courses on photography and video editing, negotiation and bargaining skills, financial reporting in accordance with international standards, and taxation and customs regulation;
- Master of Business Administration (MBA) for members of the boards of Directors and Management, key managers, and prospective executives to enhance the capacities of the next generation of leaders.

Contents	Gender		Job position		Total
	Male	Female	BOD, BOM and Managers	Employees	
Hours of training	44,744	11,185	2,796	53,133	55,929
Number of employees	522	124	34	612	646
Average training hours for each employee	86	90	82	87	87

3. Planning and appointment

With the economic and political volatility in recent years, Vicostone considers succession planning as a key task in HR development, contributing to building the Company's future leadership/ management, reducing transition time and disruption in all aspects of operations, increasing employees' engagement with the Company, as well as creating career development opportunities for potential employees.



In 2024, Vicostone continued to implement its training and capacity development plan for the next generation of leaders for the 2025–2030 period. This initiative was carried out methodically through:

- Designing personalized competency development programs customized to the career development roadmap of each successor candidate;
- Implementing job rotation to facilitate on-the-job training, broaden practical experience, and comprehensively equip future leaders with the necessary skills and knowledge.

Throughout the development journey, Vicostone has applied a periodic evaluation method based on a set of core competency criteria and utilizes internationally standardized tools to monitor progress, assess readiness levels, and identify the potential of each successor candidate. The Company also regularly reviews and updates its succession list to foster motivation and maintain a healthy level of internal competitiveness, encouraging employees to actively engage in their personal development journey.

Vicostone’s succession planning strategy not only ensures agile operations amid an ever-changing business environment but also aims to build a solid human resource foundation aligned with the Company’s long-term vision and sustainable development goals in the new era.

IV. Social responsibilities

As a crucial component of the socio-economic landscape, Vicostone believes that contributing and sharing benefits to promote the overall development of the community and society is not only a responsibility but also an advantage that helps the enterprise enhance the competitiveness in the integration process, contributing to the actualization of sustainable development strategies and promotion of the Company's human values, driving both internal and national growth and prosperity.

Over the years, with the support of the parent company - Phenikaa Group, Vicostone's corporate social responsibility programs have always put people at the center, focusing on three priorities in 2024:

- 1. Actively participating in government-initiated programs to prevent and control diseases, natural disasters, and poverty, etc.;*
- 2. Investing in education: Supporting schools and educational institutions in enhancing teaching capabilities, and creating the best environmental conditions for accessing to knowledge, learning, exploring and fostering creativity among younger Vietnamese generations;*
- 3. Investing in infrastructure and supporting the development of the lives of people and the economy in local areas where the company is headquartered and operates.*

1. Towards people in flood affected area

In September 2024, Typhoon Yagi (Typhoon No. 3) directly hit Vietnam, causing severe damage across the Northern provinces. The estimated loss has been calculated to be at least VND 81.7 trillion in terms of both human lives and property. On September 12, 2024, responding to the Government's call to action, Vicostone, together with Phenikaa Group, donated VND 1 billion to the Central Committee of the Vietnam Fatherland Front, joining hands to support the restoration of infrastructure and assist people affected by the flood in overcoming the consequences of the typhoon.



Phenikaa Group donated VND 1 billion to assist people affected by Yagi typhoon.

Vicostone along with other subsidiaries within the Group also launched a direct fundraising campaign among employees, raising a total of over VND 400 million. This amount was transferred to the Vietnam Fatherland Front Committee of Thach That District, Hanoi (over VND 300 million), the Vietnam Construction Trade Union (nearly VND 80 million), and Hoa Lac High-Tech Park Management Board (VND 50 million).

In addition, spreading a conscious business culture and a spirit of community, immediately after the typhoon passed, other subsidiaries within the Group quickly deployed actions to accompany people in the flood-affected areas: Phenikaa University contributed VND 200 million through the fundraising program of the Vietnam Education Trade Union and donated over 3,000 backpacks to schools in Phu Tho, Yen Bai, and Lao Cai; Phenikaa School canceled the annual Mid-Autumn Festival program and transferred the funds to support schools and families in areas affected by the flood.

2. Promoting connection and spreading knowledge

Successfully thriving in the market thanks to the creative capacity, innovative thinking, and differentiation, Vicostone believes that knowledge is the key to success, opening the door to development opportunities and global integration. Therefore, the Company actively supports and accompanies Phenikaa Group and other subsidiaries in inspiring and exploring modern knowledge for the younger Vietnamese generations.

Committed to sponsoring VND 20 billion for the School Consolidation Program of the Ministry of Education and Training (MOET)

On October 25, 2024, at the MOET's Conference to review the results of mobilizing social resources to improve school infrastructure and teacher housing from 2013 to 2023, Phenikaa Group committed to sponsor VND 20 billion, accompanying MOET and relevant departments to improve school facilities, thereby improving the quality of national education.



Phenikaa Group committed to sponsor VND 20 billion to improve school facilities


With MOET's support and guidance, Phenikaa Group will work directly with local departments of education to survey the actual needs and invest in improving material conditions, purchasing learning and teaching equipment for students and teachers. Through the program, the Group hopes to create a better learning environment, create opportunities for equitable access to modern education in localities, and contribute to achieving MOET's goal of 100% of classrooms being consolidated by 2030.

Continuing the journey of “Lighting up the future”

Continuing the implementation of the program "Lighting up the future" for the second year, Vicostone joined Phenikaa Group in donating nearly 2,000 light bulbs to six high schools in three provinces (Hai Duong, Hung Yen, and Ninh Binh).



A representative of Phenikaa Group presented health-friendly lighting equipment's to Nam Sach High School in Hai Duong Province to support student well-being




According to research, a poorly lit learning space with little direct exposure to sunlight is one of the main causes of school myopia. With the desire to bring a better quality light source to the learning space of students, all light bulbs donated by Phenikaa applied natural lighting technology - Phenikaa Natural TrueCircadian, which have been researched and developed by the Group's scientists and experts, and which are produced on a smart electronics factory line with a strict quality control process according to international standards. With this technology, the light source created is optimized for absorption of the human eyes by transferring the light spectrum closest to sunlight, helping the eyes relax and thereby improving the effectiveness of learning and teaching for both students and employee.

In addition to school's program, more than 4,000 light bulbs were donated to eight hospitals and medical facilities in Hanoi. Thus, after two years of implementation, Phenikaa's "Lighting up the Future" program has contributed to bringing high-quality light sources to 26 schools and eight hospitals in provinces and cities across the country with a total sponsorship budget of more than VND 4 billion.

Continuing to accompany MOET promote the student startup movement (Project 1665)

Phenikaa Group, Vicostone and other subsidiaries have been collaborating with MOET to implement a startup support program for students since 2021. Continuing the program this year, the Group participated as a Silver Sponsor and inspirational speaker, providing career guidance at the National Startup Day - SV_STARTUP 2024.

Accordingly, Phenikaa sponsored awards for the most outstanding startup projects in high schools; and contributed to building and preparing content, participating as speakers for the forum "Connecting the innovation and startup network of universities and colleges in Vietnam" and the forum "Inspiring potential students to start businesses in the fields of medical education, healthcare technology, and beauty". These were important events within the framework of the SV_STARTUP 2024 program, with the participation of leading startup experts, which helped students to better understand the startup process and learn more practical experience from leading startup experts.



Through its tireless contributions to developing startup movements in the student community, Phenikaa Group, including Vicostone, wishes to convey a positive message, encouraging students to change their mindset/awareness, dare to think, dare to do and have great aspirations to realize their dreams, turning ideas into reality.

Room to Read Program

For the third consecutive year of implementing the reading inspiration program for children in mountainous areas, Vicostone, together with Phenikaa Group, donated over 3,000 books to four boarding secondary schools in three provinces: Dien Bien, Lai Chau, and Nghe An, through the support of Room to Read, helping to build reading habits and broaden the knowledge of students from ethnic minority groups (Thai, Muong, Mong, and Kho Mu, etc.). As of 2024, the Company has equipped libraries with books and equipment for ten boarding primary schools in remote areas that face economic difficulties and access to education is very limited.

Friendly libraries will be the beginning of a new and better future for students, giving them confidence in life, giving them strength to persevere on the challenging path ahead, and striving continuously in studying, training, and mastering knowledge.

3. For green environment

Vicostone's NetZero programs focus on green production, environmental protection, and emission reduction and compensation. As one of the activities responding to the program, in October of 2024, Vicostone and Phenikaa Group visited and presented nearly 4,000 bamboo trees worth more than 200 million VND to 60 households in Dong Ruong commune, Da Bac district, Hoa Binh province with the support of Treebank Organization.



Member of Board of Management participated in livelihood tree planting alongside local residents in Dong Ruong Commune, Da Bac District, Hoa Binh Province

Surveys show that bamboo can grow well in mountainous terrain, retain soil and water well, has a long life cycle, and can create high economic value. The project offsets and absorbs carbon, controls erosion and also contributes to creating sustainable livelihoods, improving the material and spiritual life of local households. In the coming period, Vicostone and the Group will continue to research and implement practical programs to help balance the ecosystem and protect a green, clean, and safe environment.


4. Local sustainability

Improving the lives of the localities where the Company's headquarters and manufacturing plants are located has always been a focus of Vicostone. In 2024, with the support of the Group's Trade Union, the Company implemented many practical programs such as:

- Donating 500 gifts worth VND 500 million to representatives of poor and near-poor households, orphans from 20 administrative units in Thach That district, Hanoi;
- Donating nearly 3,000 natural light bulbs worth nearly VND 300 million to households and workers participating in the "A warm reunion - a sharing spring" program organized by Thach That district, Hanoi;
- Donating VND 100 million to build two Red Cross houses for two households in Kim Quan commune, Thach That district, Hanoi; Phenikaa Hue and Phenikaa Group provided financial support of VND 60 million to the Duc Son Pagoda orphanage in Thuy Bang commune, Thua Thien Hue.



The Group's Trade Union presented Tet gifts to disadvantaged households in Quoc Oai District, Hanoi



Promoting the "Conscious Business Culture", Vicostone considers contributing to the community and society as an annual program that accompanies 22-year journey of building and development. Facing the unpredictable fluctuations of the economy, politics, society, and the increasingly serious impact of climate change, Vicostone has continued its humanitarian journey, joining hands with the Government, businesses, and organizations to expand practical values on the journey towards sustainable development "For a Happy Nation".

GRI STANDARD REFERENCE

Statement of use

Vicostone JSC has reported the information cited in this GRI content index for the period January 1, 2024 to December 31, 2024.

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