



**CHAPTER 2**    **DEVELOPMENT STRATEGY**

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**● THE STEADFAST  
INTERNAL STRENGTH**

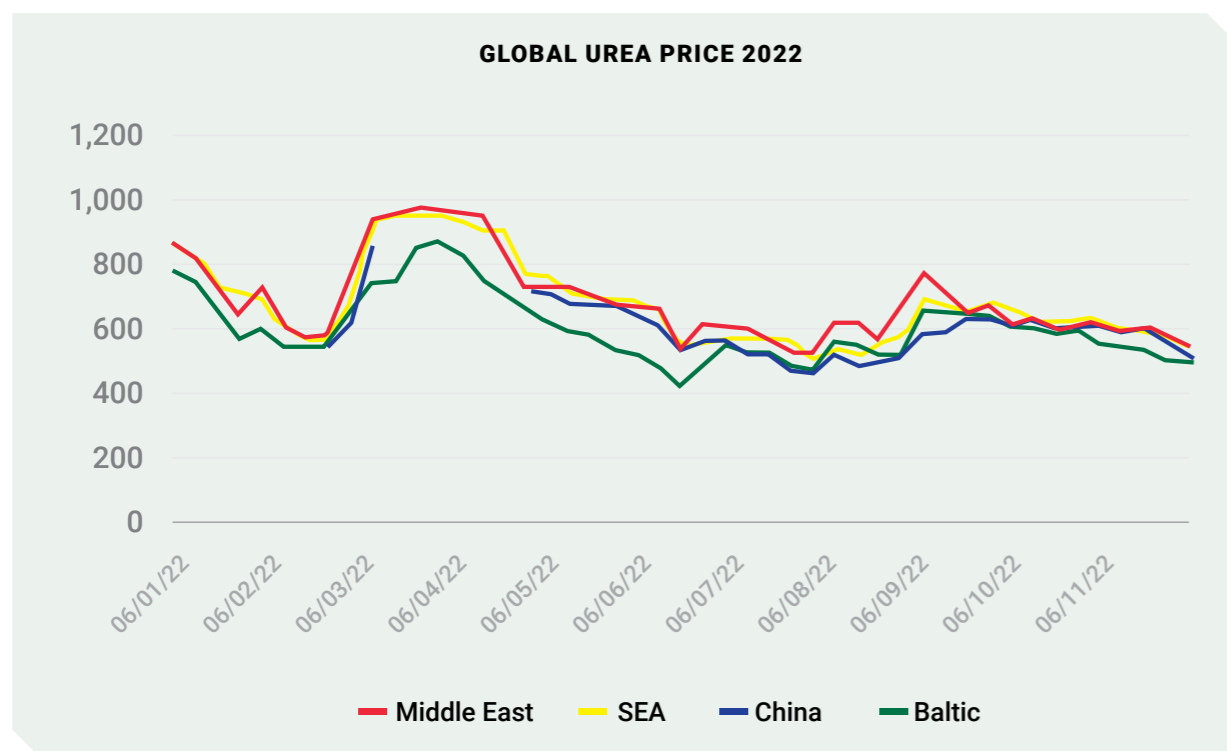
**BRINGING INSIDE  
POTENTIAL POWER**

# OVERVIEW ON FERTILIZER INDUSTRY 2022

## 01 THE WORLD MARKET

### 1.1. Urea market

After peaking at the end of the first quarter of 2022, the world urea price decreased and entered a sharp decline in the fourth quarter of 2022, equivalent to a decrease of about 50% while the demand in the main markets continued to decrease due to the influence of many different reasons.



(Source: Collected from Fertecon)

The year 2022 witnessed the military conflict between Russia and Ukraine that broke out on February 24, 2022 and has lasted until now. Although this war took place in Europe, it had an impact on a global scale, considerably affecting many different markets such as energy, food, finance, currency, and securities because Russia has a role and position as a leading exporter of oil, gas, fertilizer, wheat... Regarding the energy market, the reduction of oil and gas exports from Russia due to the US trade embargo and sanctions The EU caused the oil and gas market to wobble. In addition, in the field of fertilizers, **Russia applies a policy to restrict fertilizer exports from January 1, 2022 to May 31, 2022 with 5.9 million tons and from July 1, 2022 to December 31, 2022 with 8.3 million tons to prevent shortage of domestic supply.**

Regarding China, right from the fourth quarter of 2021, there has been a policy to reduce fertilizer exports to the world market. Specifically, on October 29, 2021, **China controlled the export of 29 exported fertilizers, including Urea, DAP, MAP, NPK, NP/NPS, MOP... Currently, this policy has not been removed and remains in effect.** The restraint on fertilizer exports, including Urea, caused a sharp decrease in supply, thereby, more positively supporting global urea prices in the context of tight supply in many key markets.

However, now, the market context has changed.

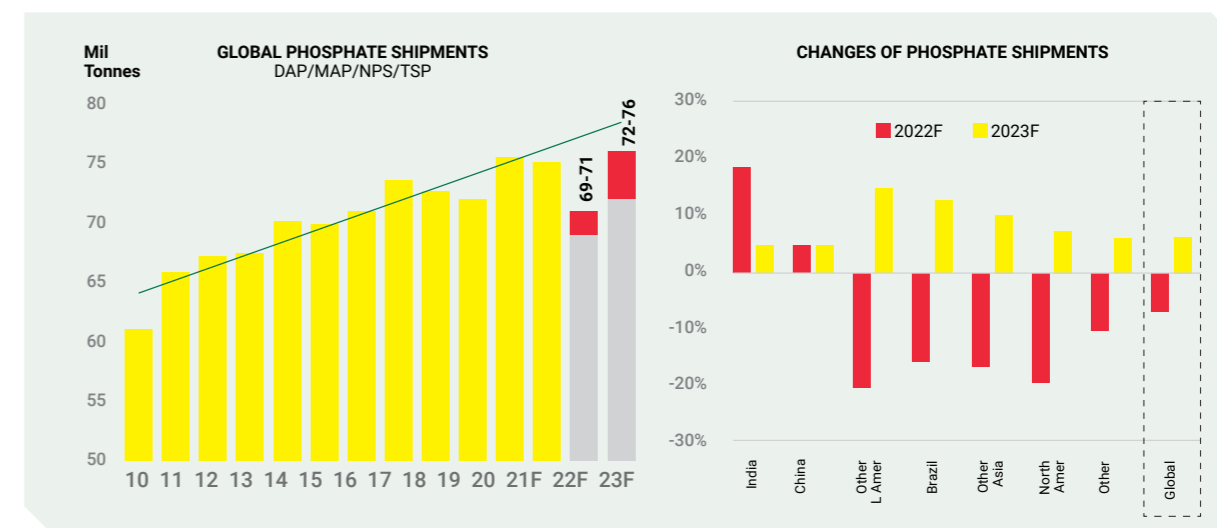
**CURRENTLY, CHINA'S DOMESTIC UREA PRICE IS HIGHER THAN THE WORLD UREA PRICE.**

The impact of the gas crisis in Europe led to many fertilizer plants shutting down. The peak was in August 2022, when gas prices increased, causing many large fertilizer companies in Italy, Norway, Germany, Poland, Lithuania, France, the UK and Hungary to simultaneously close or cut down operating capacity. The situation is so bad that, at times, fertilizer production capacity in Europe has decreased by a quarter of the normal level, even to 20% at some points.

**With a number of new plants coming into operation recently, the world has new sources of urea, notably many new plants located in Asia and the Middle East. This will contribute to increased competition in Southeast Asia in the coming time.**

### 1.2. DAP Market

After peaking at the end of the first quarter of 2022, DAP prices in some markets have adjusted down by nearly 50% by the end of 2022. The decline in DAP prices in the third and fourth quarters of 2022 is in the general trend of the market. global fertilizer market. The impact from the reduced supply of DAP makes the demand for DAP consumption in 2022 decrease by about 7% compared to 2021. **Besides, because the price of DAP remains high for most of 2022, the demand will decrease accordingly.** Due to the impact of the Russia-Ukraine war that broke out in the first quarter of 2022, many countries have the mentality to buy fertilizer reserves to ensure food security, including Brazil, India, Pakistan..., leading to DAP inventories tend to increase rapidly in the first 6 months of 2022, last through the third quarter of 2022 and slow down in the fourth quarter of 2022.



(Source: Mosaic)

### 1.3. Potassium Market

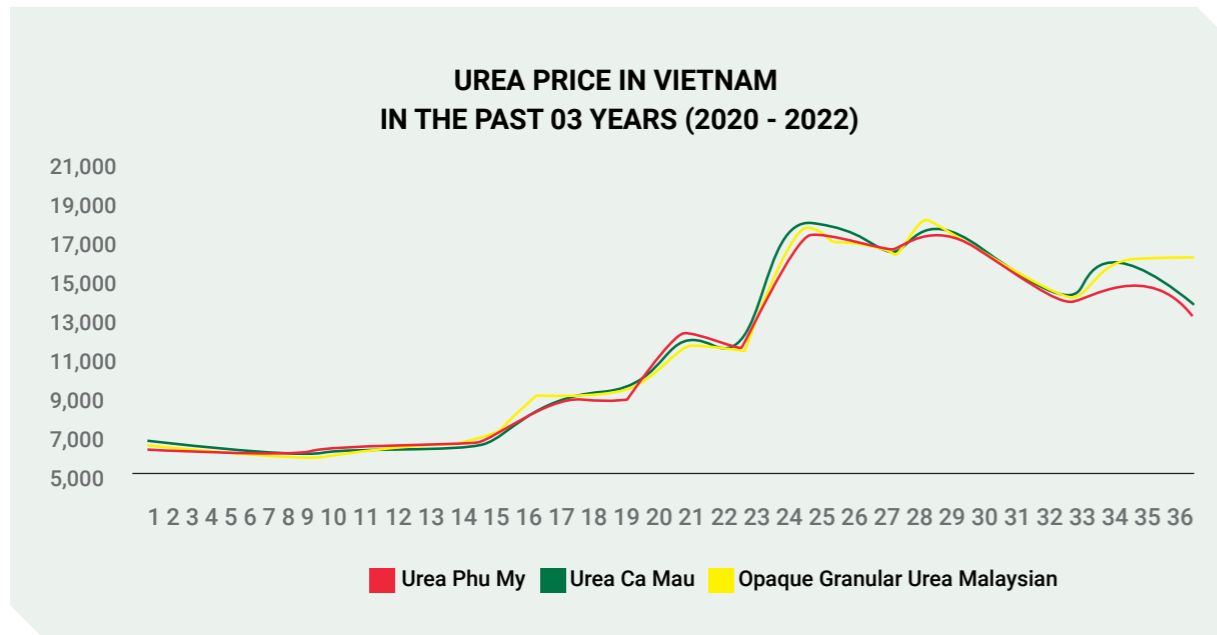
After peaking in the main markets in Brazil and Europe at the end of the first quarter of 2022, the price of potassium quickly corrected down by the end of 2022. The decline in the price of potassium in the third and fourth quarter of 2022 is within General trend of the global fertilizer market. However, currently, the price of potassium in Europe is still higher than in other markets. The global demand for Potassium dropped sharply due to the impact of the narrow supply as well as the high potassium price in the first 6 months of 2022, causing buyers to delay their new purchase demand. Many large buying markets fell into a state of strong demand reduction such as North America, Europe, South America... However, according to experts, this trend may reverse in 2023.

**The high price of agricultural products during the year also helps farmers improve their ability to pay for input costs, including fertilizers in general and potassium and DAP in particular.**

# OVERVIEW ON FERTILIZER INDUSTRY 2022

## 02 VIETNAM MARKET

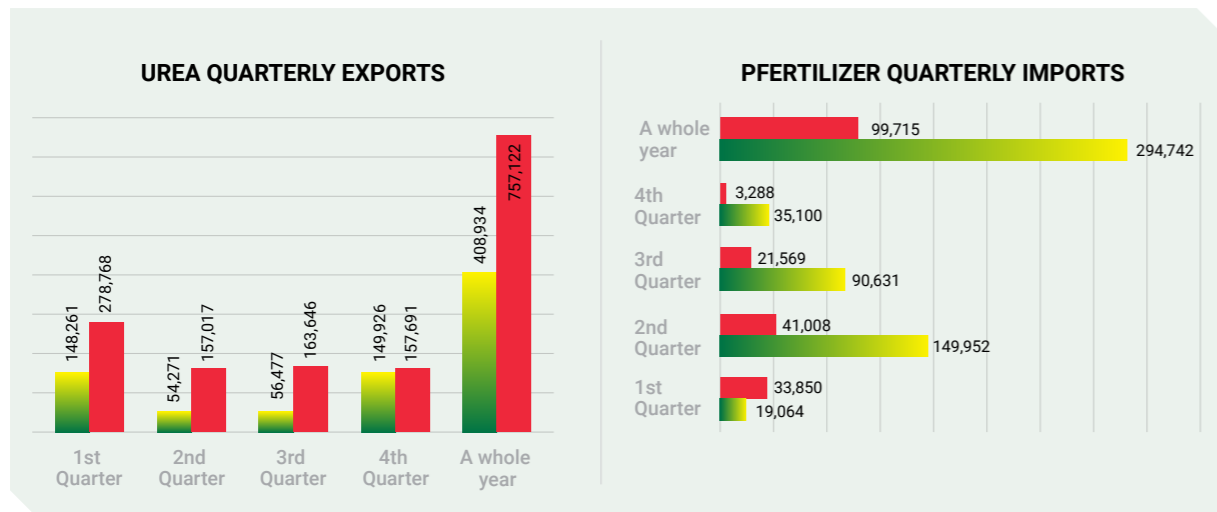
### 2.1. Urea market



(Source: Agrimonitor)

After peaking in the first quarter of 2022, the domestic urea price has continuously decreased at the end of the fourth quarter of 2022. Domestic demand dropped sharply for most types of fertilizers, including Urea, putting great pressure on domestic urea prices. In addition, the decline in world urea price also had a great impact on domestic urea price movements as well as the psychology of the distribution system.

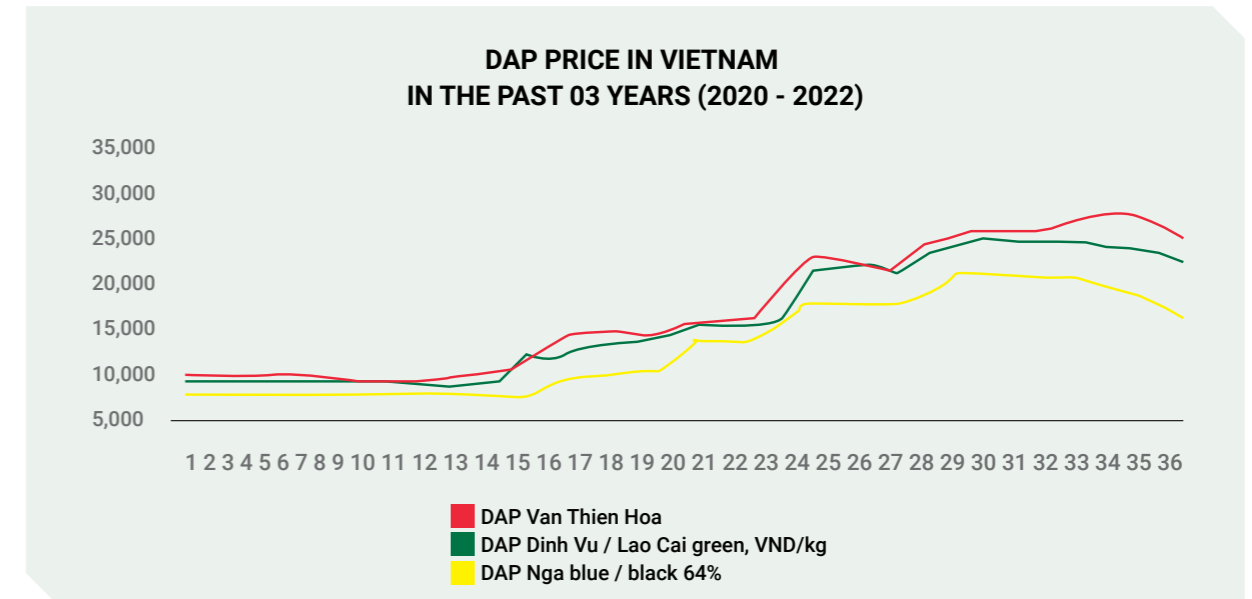
Domestic urea supply is stable but weak demand also puts great pressure on manufacturers in the last 6 months of 2022. Many manufacturers actively deploy exports to lower inventories to a reasonable level. Vietnam's urea exports in 2022 will grow by 85% in volume compared to 2021 (excluding temporary imports for re-export), thereby contributing to improving fertilizer export revenue and reducing domestic inventories.



(Source: Collected from the General Department of Customs)

### 2.2. DAP Market

DAP prices remained high in the first quarter, second quarter and third quarter of 2022 but began to show signs of a stronger correction from the fourth quarter of 2022.



(Source: Agrimonitor)

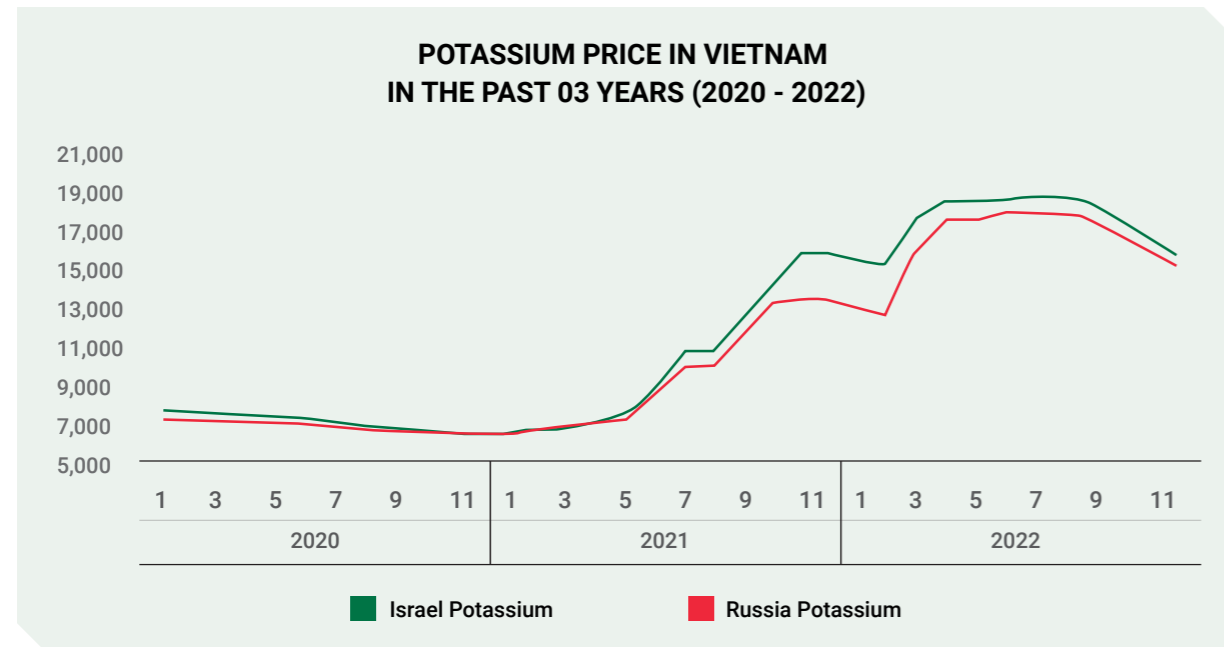


# OVERVIEW ON FERTILIZER INDUSTRY 2022

## 02 VIETNAM MARKET

### 2.3. Potassium Market

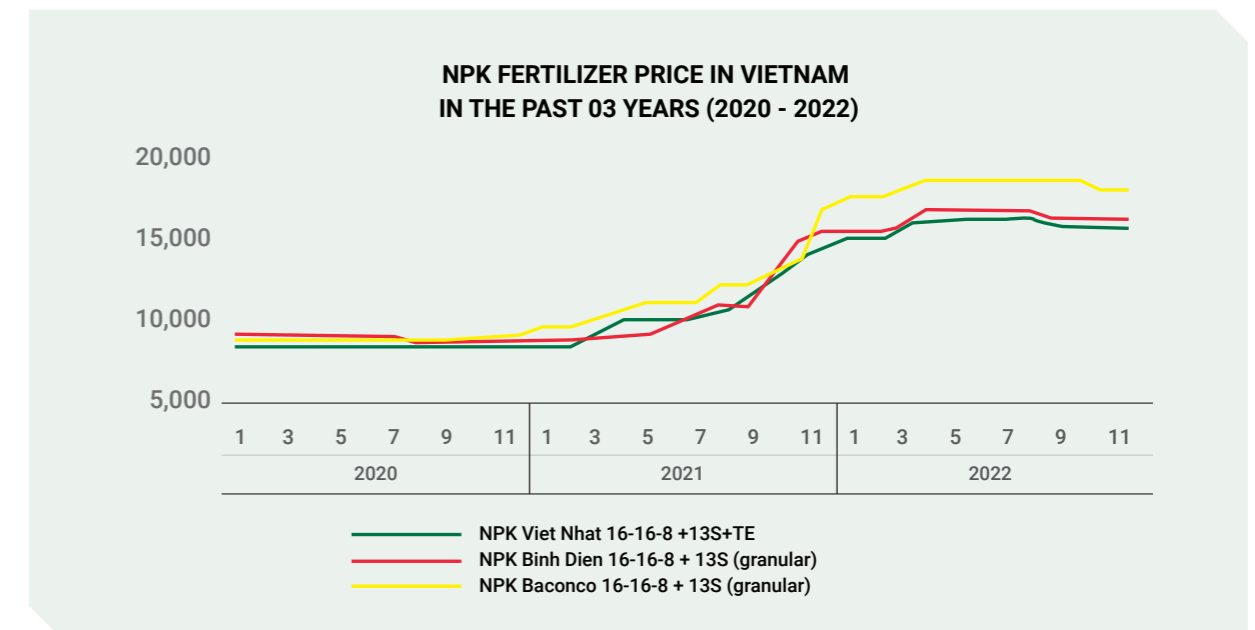
Potassium price in 2022 also has the same situation as DAP price, accelerating in the first quarter of 2022, maintaining a high level in the second and third quarters and entering a faster decline in the fourth quarter of 2022. Potassium prices fell later than Urea prices due to limited supply of potassium to Vietnam in the context of some traditional supplies in Russia and Belarus being limited due to the impact of US and EU sanctions. Vietnam's potassium imports in 2022 decreased by nearly half compared to 2021 due to weak domestic demand as well as more difficult access to world supply.



(Source: Agrimonitor)



### 2.4. NPK market



(Source: Agrimonitor)

NPK prices are generally more stable in 2022 compared to other single fertilizers such as Urea, DAP, and Potassium. This can be partly explained by the fact that NPK producers have imported raw materials earlier at high prices and the consumption cycle of NPK products has a certain delay compared to other types of fertilizers.

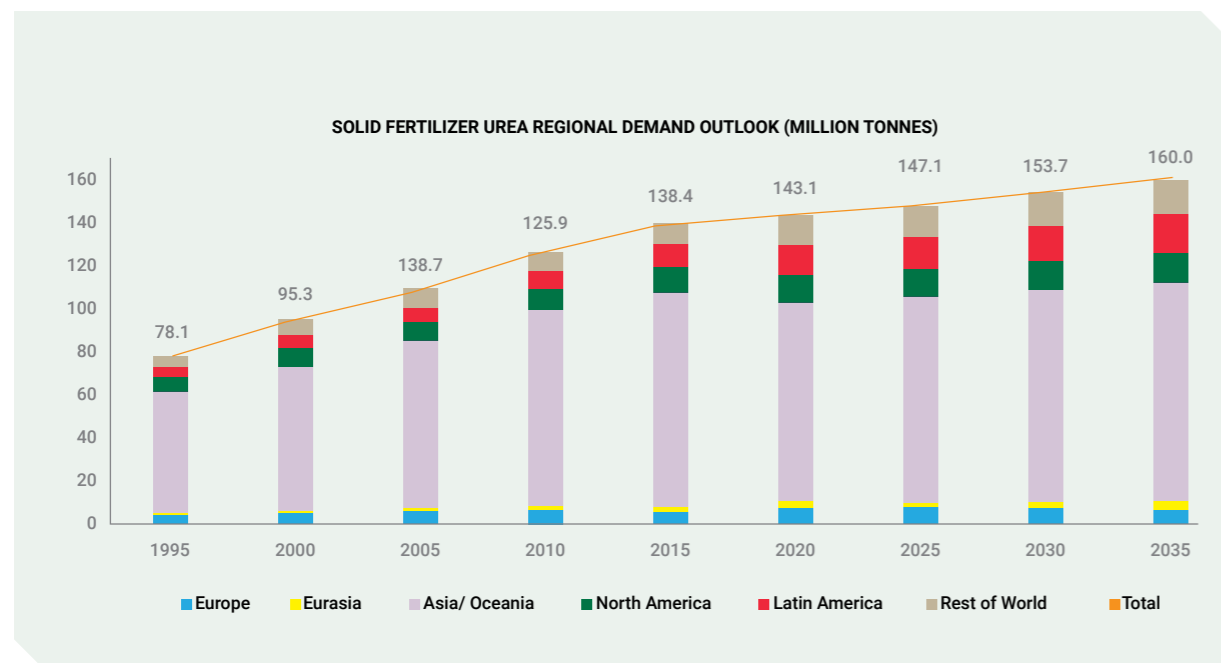
With the higher single fertilizer price level in 2022 than previous years, it also makes input production costs of NPK plants higher than in the previous period, which inhibits new purchase contracts of NPK plants in the domestic market.

# FERTILIZER INDUSTRY 2023

## 01 WORLD MARKET

### 1.1. Urea market

- » It is forecast that world urea consumption in 2023 will be improved, estimated at 187 million tons, up 2.7% compared to 2022, of which direct consumption is about 82%. Most of the urea produced is used for direct fertilization, used in the production of Ammonium Nitrate (UAN) and in NPK compound fertilizers. The remaining 18% of urea consumption is concentrated in industrial applications, manufacturing plastics used in the wood product industry, and controlling Nox emissions.
- » Cereal is by far the largest urea demander globally, accounting for about 59% of nitrogen consumption. Maize/corn is the crop that receives the largest amount of nitrogen fertilizer and accounts for 20% of global demand, followed by wheat with 18% and rice with 16%. Fruit and vegetables account for about 12% of global nitrogen consumption, while oilseeds account for 8%.

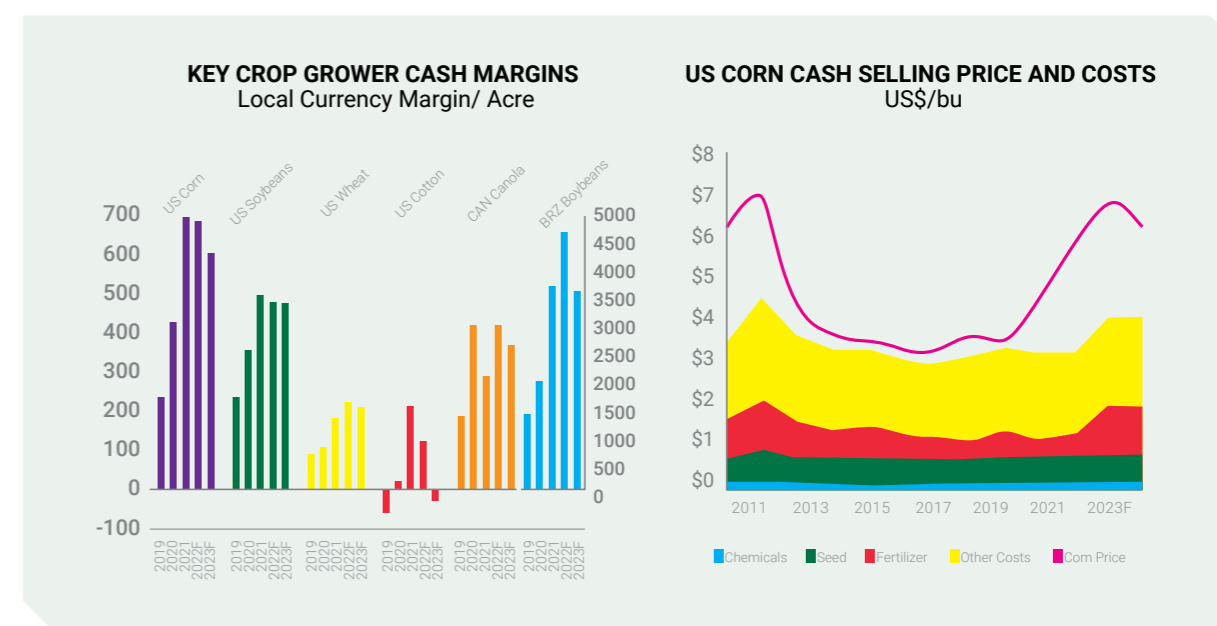


(Source: Fertecon, January 2023)

- » Asia, Europe, Latin America and North America are still the world's leading urea consuming markets, which helps producers orient and establish reasonable market access policies to improve their ability to competitiveness in the new context, post-Covid 19.
- » Prices of main agricultural products are forecasted to remain high due to the influence of inflation and consumer demand for essential products, thereby helping to improve the demand for fertilizer in general and Urea in particular in 2023, especially in Asia, Latin America and North America.
- » Urea production capacity remains high at over 80% worldwide. In addition, the addition of a number of new plants in the period 2020-2022 in India, Nigeria, Brunei, 3 plants in Russia and 10 plants in China will come into operation by the end of 2023, helping urea supply more abundant, this also makes competitive pressure higher in the coming time.

### 1.2. DAP Market

- » Forecast of global DAP demand in 2023 from 72-76 million tons, an increase of 4-7% compared to 2022, due to the forecast of the world's crop prospects and agricultural area expansion compared to 2022, partly due to a decrease in DAP prices, which further stimulates DAP consumer demand, while the prices of some key agricultural products, especially corn and soybeans, may still remain high due to the influence of the world geopolitical situation.
- » In general, demand forecast continues to improve in markets such as Brazil, North America, Asia while consumption in India and China grows more slowly than the rest of the world.



(Source: Nutrient, USA)

- » According to forecasts, the prices of major world agricultural products such as corn, soybeans, wheat and cotton in 2023 will remain high compared to recent years. This helps farmers, farms and plantations focus on investing in agriculture as well as psychologically feel secure in the context of the complicated world macroeconomic situation. Especially, the high prices of agricultural products will help increase the affordability of fertilizers, boosting the demand for fertilizers, including DAP, Potassium and Urea.



# FERTILIZER INDUSTRY 2023 (CONTINUED)

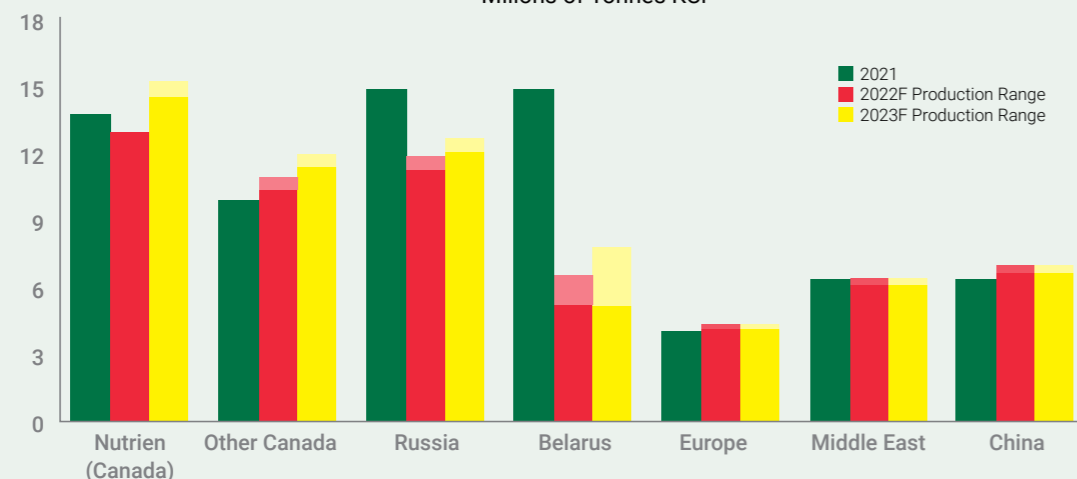
## 01 WORLD MARKET

### 1.3. Potassium Market

- » The global demand for potassium will improve sharply in 2023, estimated at 63-67 million tons, of which the main consumption markets still maintain the growth momentum, notably Latin America (14-15 million tons); China (13.5-14 million tons); North America (8-9 million tons); India (2.4-2.7 million tons); Other Asian countries (8-9 million tons).
- » In 2022, the amount of potassium exported from Belarus and Russia, respectively, will decrease by 50%-60% and 20%-25% compared to the previous year due to the impact of US and EU sanctions. This trend is expected to continue, but there may be an improvement when Belarus is currently looking for new export channels through intermediate markets such as China and Russia to improve export output.
- » Potassium prices will be heavily influenced by major supply sources such as Canada, Russia, Belarus, the Middle East and China. Currently, major producers are negotiating with India and China on the price range of potash contracts in 2023. However, the official time of these contracts may take place in the first quarter of 2023 to serve as a reference price for world market prices.



**POTASH PRODUCTION IN SELECTED REGIONS**  
Millions of Tonnes KCl



(Source: Nutrient, USA - January 2023)

## 02 VIETNAM MARKET

### Fertilizer prices remain high

- » Vietnam's fertilizer consumption demand in 2023 is expected to recover to 9,100 thousand tons thanks to positive weather conditions and an expected increase in rice prices. Rice is the crop that has the greatest impact on Vietnam's fertilizer demand, so the high price of rice will help farmers increase production and expand the planting area.



Farmers grow jackfruit in Long An

### Supply and demand balance of domestic market

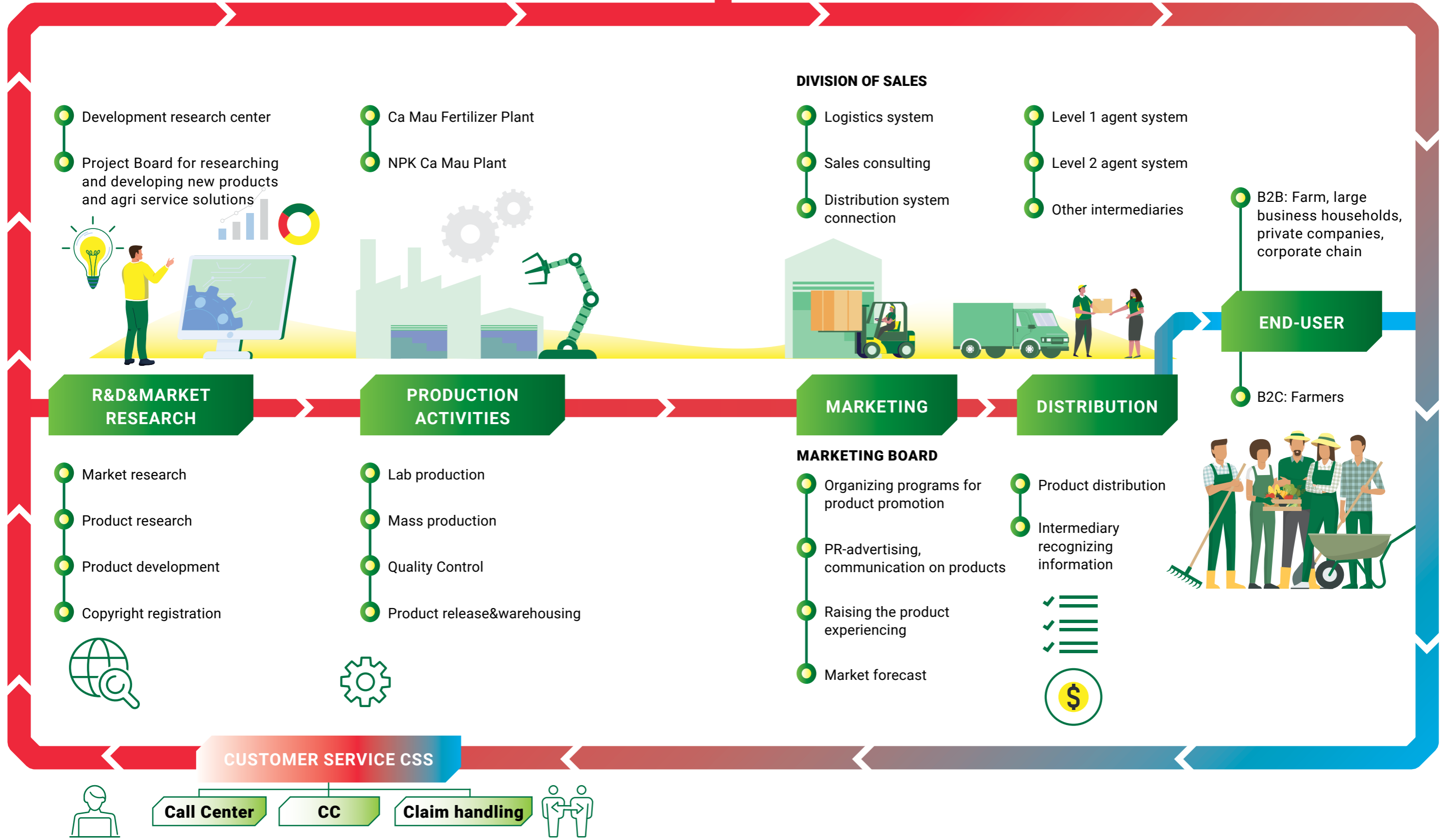
No.	Product	Manufacturing capabilities	Symmetrical
1	Urea	4 domestic plants supply 2.2 - 2.5 million tons	In addition to meeting domestic demand, there is still a surplus for export
2	DAP	3 domestic plants meet about 60-75% of demand	The shortfall is covered by imports
3	Potassium	Unable to produce	100% offset by import
4	NPK	About 5 million tons/year	Oversupply but at the same time still need to import high-end NPK line
5	Phosphate fertilizer	1.5 - 2 million tons	Actively respond to domestic demand
6	Other	1.8 - 2.5 million tons	

(Source: Collected by PVCFC from sources)

# PVCFC SUSTAINABLE VALUE CHAIN

## ASSISTING DIVISION

- Direct** Big Data, Finance&Accounting, Food safety checking, Supervisory Board
- Indirect** Material management, investment plan, trade....



## DEVELOPMENT ORIENTATION

### 01 THE MAIN OBJECTIVE OF THE COMPANY

PVCFC is consistent with the Company's development orientation based on the following views:

- In line with the mission to which PVCFC was born, focusing on production, trading and import and export of fertilizers, effectively serving agriculture with a chain of superior quality products, contributing to ensuring food security and raising Vietnam's trade in the international arena.
- Improve business efficiency, increase revenue, reduce costs, increase benefits for shareholders, satisfaction for trusted customers, towards prosperous and sustainable development.
- Accelerate digital transformation, intensify the application of information technology systems in production, business, management and communication activities, helping the Company to operate effectively, contribute to preserving the environment, pioneering in greening domestic agriculture.
- Actively participate in social welfare activities, cultivate meaningful human values, share difficulties, and stand side by side for a better life.
- Becoming the leading brand in the region in the field of fertilizer production and trading, fulfilling the mission of a pioneer in providing comprehensive nutritional solutions for plants.
- Promote creative spirit, potential internal resources, ready to change to develop, constantly strive to conquer new heights, marked with useful inventions and solutions to optimize operations. production and product quality of PVCFC.
- Continue to build and perfect the corporate culture with its own identity, solid foundation, which is the fulcrum and leverage to help the Company develop strongly, build a cohesive environment where employees can devote themselves, living with the core values of "Pioneer - Responsibility - Kindness - Harmony".

### 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY

#### DEVELOPMENT ORIENTATION

In the mid- and long-term period from the next 5-10 years, PVCFC will focus on large, strategic goals and overall orientation for the unit's activities in the new situation, specifically as follows:

#### REGARDING THE TARGET MARKET

PVCFC's strategic target markets in the coming time focus on the



The PVCFC actively expands, explores, and penetrates domestic markets in the region in addition to these markets.



and the markets



#### REGARDING THE GROWTH TARGET

PVCFC strives to increase sales of fertilizer product lines from 6 - 10% per year, depending on the specific product structure and proportion of each product to ensure the completion of revenue and profit targets.

**INCREASE SALES OF FERTILIZER PRODUCT LINES FROM**

**6 - 10% /year**

**IMPROVING THE GROWTH RATE FROM**

**5 - 10% /year**

In terms of revenue, improving the growth rate from 5 - 10%/year and striving by 2025, PVCFC is one of the five leading businesses in Southeast Asia in terms of revenue.





## DEVELOPMENT ORIENTATION (CONTINUED)

### 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY (CONTINUED)

#### REGARDING THE TARGET MARKET SHARE

PVCFC aims to maintain a domestic fertilizer market share of at least 10%/year on a national scale.

##### REGARDING UREA

maintain the domestic market share from

**30% - 35%/year**

##### REGARDING NPK

strive to meet

**5% - 10%** of the domestic market share

focus on dominating the domestic target market at least **20%/market**

##### REGARDING OTHER

##### FERTILIZER PRODUCT LINES

Strive to meet

**5% - 15%**

depending on specific product segments.

#### REGARDING PRODUCT STRUCTURE

PVCFC continues to focus on manufacturing, trading and distributing Urea core products in the domestic market. Besides, the Company also actively deploys reasonable export channels from time to time, helping to maintain continuous production and reduce inventories and excess domestic supply.

Regarding NPK, PVCFC strives to increase consumption in the domestic market, especially the target markets of the Mekong Delta, the Southeast and the Central Highlands, and the strategic market in Cambodia.

Besides the inorganic product line, PVCFC gradually expanded its portfolio and exploited the organic fertilizer segment with the product OM CAMAU to adapt to the changing business environment in the new situation.

In addition, in order to be proactive in trading other fertilizer products, PVCFC researched and exploited more import and export segments to organize the import of DAP, Potassium, NPK, SA fertilizer sources to serve the demand for raw materials of NPK Plant and other domestic distributors.



PVCFC becomes the official strategic partner distributing high-quality DAP products for Van Thien Hoa Chemical Corporation

#### REGARDING DISTRIBUTION CHANNEL DEVELOPMENT

The development of the distribution system is absolutely necessary to promote the consumption of NPK and other products as PVCFC enters a new stage of development with many new challenging goals.

The company continues to consolidate, develop and expand the distribution system at all levels, with orientation in the period of 2021 - 2025, the growth of the first-level distribution system is 2 times higher than the current one; the growth of the second-tier distribution system at 5%/year and the goal of at least 15,000 tier-2 agents.

Regarding the target market, PVCFC's focus is still on developing and consolidating the distribution system at all levels in the Mekong Delta, Southeast and Central Highlands, Cambodia, in parallel with developing a distribution model . distribution on the basis of effective application of IT in sales and distribution system management in order to rise to master the market and compete successfully against domestic and foreign competitors.

#### THE GOAL OF AT LEAST

**15,000** tier-2 agents

#### REGARDING RESEARCH AND DEVELOPMENT (R&D)

PVCFC promotes research and development on the basis of devoting more resources from material resources, developing personnel, supplementing equipment, and modern and advanced laboratories to maximize R&D.

The priority goal of R&D is to introduce new fertilizer product lines with higher value than current products, competitive prices, and meet the needs of farmers and distribution systems, ensuring economic efficiency and business scale in each market.

Regarding solutions, in addition to internal resources, PVCFC prioritizes searching, selecting and boldly taking the lead in coordinating with Institutes, Universities, Centers both at home and abroad through a team of reputable experts and scientists and aiming to manufacture nutritional products/ solutions with high gray matter content, meeting the requirements of the market and customers in the future.



# DEVELOPMENT ORIENTATION (CONTINUED)

## 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY (CONTINUED)

### REGARDING MERGERS AND ACQUISITIONS (M&A)

Based on internal resources, PVCFC has researched and piloted the merger and acquisition of a number of highly feasible investment projects in order to diversify the unit's value supply chain, giving maximum priority to the domestic market.

M&A goals, in addition to meeting financial and business goals, also ensure competitive orientation, expand brand development, control distribution and above all ensure long-term competitiveness. of PVCFC on the market in the next 10-20 years.

### ORIENTATION SOLUTION

#### SOLUTION GROUP FOR PRODUCTION, R&D



Maintain and operate Ca Mau Fertilizer Plant Cluster (Urea, NPK) stably, safely and effectively; Continue to maintain the operation of the Urea Plant with optimal capacity as achieved in the past time (from 108 - 112%/year) to implement the optimization problem of the Company's scale.

Make adequate budget investment for R&D to timely supplement resources in terms of equipment, facilities, laboratories, and processing plants; Building a good remuneration mechanism to attract high-quality human resources to work at the Company; Coordinating with centers, institutes, Universities, leading scientists in agriculture and fertilizers to manufacture high-value fertilizer products to meet the increasingly diverse requirements of markets and customers.

Stick to the business plan, product consumption to efficiently deploy production activities on the basis of ensuring the maximum supply of goods for the domestic market; maintain reasonable inventory at the Plant; Arrange and dispatch goods to other areas as well as develop a suitable maintenance schedule so as not to greatly affect the business activities of the Company.



Methodical logistics procedures

Continue to implement thrifty activities, reducing production costs on the basis of promoting technical innovation initiatives of the management, operation team and highly skilled workers of Ca Mau Fertilizer Plant; Striving to reduce the actual consumption of key materials such as gas, electricity, chemicals equal to or lower than standard norms, and at the same time comply with regulations on quality and safety in all production and processing activities of Company's products; Develop a periodic maintenance plan at a reasonable cost and reduce the overall maintenance time of the Plant in order to promptly meet the set business activities.

Enhance the inspection of product quality at all stages, for all key materials for the production of finished products, and at the same time strictly control finished products before supplying to the market to ensure all PVCFC's products are manufactured with the highest quality, meeting and exceeding the requirements of customers.



OM CAMAU Product - organic fertilizer is chosen by farmers



# DEVELOPMENT ORIENTATION (CONTINUED)

## 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY (CONTINUED)

### SOLUTION GROUP ON BRAND DEVELOPMENT



Maximize resources to maintain and develop target markets with strengths in agricultural development in the provinces of the Mekong River Delta, the Southeast, and the Central Highlands, which are rich and advantageous markets for agricultural products of Vietnam's main export with a large scale and capable of absorbing large fertilizer output of other countries; Researching, linking to build a production model of "High-tech agriculture" applied to specific crops in the provinces and cities of the Mekong Delta, the Southeast, and the Central Highlands in the following years.

Develop distribution system both vertically and in depth to increase the number of agents, strengthen multiple points of sale (POS) in each province and region to ensure the expansion of product coverage in markets as well as improving the quality of the distribution system in the direction of increasing consumption at each POS, bringing efficiency to the distribution chain at all levels.



Invest in expanding logistics supply chains, developing logistics systems in line with business orientations and strategies in regions, meeting multiple goals such as stockpiling for distribution systems, timely serving farmers' crops, stockpiling raw materials, balancing logistics costs and commodity price trends to improve the business performance of the Company's products and proprietary goods in the context of considerable fluctuations of raw material prices as well as the potential risk of disruption to the global supply chain as witnessed in recent times.



Promotion program "Golden season of big win" of Ca Mau Fertilizer with lots of farmer participation and wins numerous attractive awards

Continue to exploit the international market segment on the basis of advantages, strengths and understanding of the Asian market, especially Southeast Asia, South Asia and Latin America, thereby improving the export proportion of suitable products. This is appropriate in the context that the fertilizer industry is always affected by the high seasonality of the crop cycle, thereby reducing inventory pressure at the Plant/General warehouse and implementing a reasonable sales strategy from time to time.



Ca Mau Fertilizer keeps carrying out attractive programs to effectively promote its business and support farmers all around the country



PVCFC Deputy General Director at the Customer Conference 2022



Maintain a flexible and attractive sales policy with agents, distributors, domestic and foreign partners, and brokers to continue to ensure the harmony of interests between manufacturers - distribution channels as well as direction to the strategic goal of maintaining a competitive advantage, dominating the domestic market and competing successfully with foreign competitors.

Maintain and strengthen marketing strategies for key Urea products and upgrade and develop marketing strategies for new products, especially strategic products such as NPK, organic, and urea-based products in the local market following the trend of being environmentally friendly, developing Vietnam's agriculture sustainably and effectively; Completing the overall marketing strategy for the brand "Ca Mau Fertilizer" including the product portfolio of Ca Mau Fertilizer, Ca Mau NPK fertilizer, organic fertilizer, and microbiological fertilizer.



Enhance research and market forecasting on the basis of regularly monitoring and updating closely the world and domestic fertilizer prices; domestic demand and supply; crops, plants, weather, diseases, prices of agricultural products; Competitive pressure from domestic and international, thereby improving the ability to forecast fertilizer prices, evaluate and analyze factors affecting production and business activities and propose to develop effective scenarios and response methods projects in the context of the macro environment subject to major changes in the coming time.

## DEVELOPMENT ORIENTATION (CONTINUED)

### 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY (CONTINUED)

#### FINANCIAL AND INVESTMENT SOLUTIONS GROUP



PVCFC Deputy General Director introduces NPK Ca Mau at the Customer Conference 2022



Implement the policy of the State and the direction of the Vietnam National Oil and Gas Group, PVCFC continues to divest and reduce the proportion of the Group's stake in PVCFC according to the proposed schedule on the basis of strictly complying with State regulations; Research, consider and apply the form of preferential stock issuance for employees (ESOP) to appreciate the contributions of employees as well as meet the goal of maintaining and developing human resources, especially employees with high expertise and professional skills and many contributions to the Company.



With PVCFC's improved position and strength, especially its financial capacity, which has continuously increased in the past 10 years, now there are many major domestic and foreign partners who are coordinating and proposing to participate in potential investment projects. Therefore, based on the actual conditions and strategic objectives of the Company, PVCFC will consider, research and propose pilot implementation of a number of projects such as M&A, joint venture, association, 100% investment into a number of fields associated with the Company's core business activities such as: hi-tech agriculture; production and trading of fertilizer chemicals to further complete the Company's value chain in the new period.



On the basis of advanced Corporate Governance Practices, PVCFC aims to develop and prepare financial statements in accordance with IFRS International Financial Reporting Standards. PVCFC deploys to work with reputable strategic consulting partners and sets up a project implementation roadmap in each specific phase.



# DEVELOPMENT ORIENTATION (CONTINUED)

## 02 GENERAL AND LONG-TERM DEVELOPMENT STRATEGY (CONTINUED)



### SOLUTION GROUP FOR MANAGEMENT AND HUMAN RESOURCES



Enhance the inspection and supervision of production and business activities of the Company to ensure that the production and business comply with the roadmap according to the approved annual programs and plans and complete the set goals; Consolidate and complete the Committees, decentralize Sub-Committees under the Board of Management and empower members of the Board of Management to actively perform their tasks with the highest efficiency.



Constantly improve the capacity of building, implementing and deploying corporate governance on the basis of compliance with the Company's Charter, the provisions of the Law, the Group, the Corporate Governance Regulations and professional ethics regulations of members of the Board of Management; Practicing the advanced "Corporate Governance Practices" in the world and in Vietnam to help improve governance efficiency, contributing to the good implementation of the Company's business strategies and plans.



Implement the project "Restructuring" the Company in accordance with the policy of the Government and the direction of the Group in the direction of reducing the State's ownership rate in PVCFC, while maintaining and improving the value of the contribution of State equity at company; Enhance the role of state representatives at the Company; Structuring and streamlining the organizational apparatus, aiming to improve the efficiency of production and business activities of the whole Company.



Continue to consolidate the entire organizational structure under PVCFC on the basis of allocating human resources suitable to the nature and content of the work; Create an attractive working environment so that the employees can rest assured to contribute and devote to the Company; Build a satisfactory remuneration mechanism for employees, meeting the goal of attracting and developing new personnel, especially highly skilled and highly specialized personnel working for the Company; Focus on fostering and training human resources to improve professional qualifications, knowledge and skills through the E-learning platform, thereby towards a long-term, continuous learning process and development of self-learning ability of employees...



## DEVELOPMENT ORIENTATION (CONTINUED)

### 03 SUSTAINABLE DEVELOPMENT GOALS

During the operation of the Company, PVCFC has always placed sustainable development goals in a strategic position in combination with the implementation of economic growth goals on the principle of ensuring the harmony of interests among the relevant parties, environmental sustainability, towards the prosperity of the community and society.

#### SUSTAINABLE DEVELOPMENT GOALS IN 2023

Bringing along the mission of a market-making pioneer, PVCFC has been performing well as a leading enterprise in supplying fertilizers with the goal of protecting the environment towards a sustainable agriculture.

Utilizing its strength in scientific research and product development, the Company will continue to experiment, create and launch new fertilizer products of superior quality, completing a set of nutritional solutions for plants. planting, improving user benefits and practically joining hands to develop sustainable green agriculture.

The business plans and activities in 2023 are implemented by PVCFC based on the requirement of balancing three factors of economic, social and environmental development to not only bring economic efficiency but also ensure the control of risks on society and safety, health and environment, towards sustainable development, creating lasting values over time.

#### MEDIUM AND LONG-TERM SUSTAINABLE DEVELOPMENT POLICY

##### REGARDING THE ECONOMY

Becoming a leading brand in the field of fertilizer production and trading with the mission of a pioneer in providing plant nutrition solutions, towards sustainable development.

##### REGARDING THE ENVIRONMENT

Comply with the law on environmental protection, continue to invest, research, improve, and apply technological and technical solutions to production and business activities in order to minimize environmental pollution. school.

##### REGARDING THE COMMUNITY AND SOCIETY

Uphold the goal of effective economic development associated with sustainable development, fully implement social responsibility, highlight the brand image of responsibility for community work, for the sake of public security throughout the country, ensuring national food security, ready to serve for development.

