



DOMESCO
For Quality of Life

ANNUAL REPORT IN 2021
DOMESCO MEDICAL IMPORT - EXPORT JSC



LIST OF ACRONYMS

BOD	Board of Director
BOM	Board of Management
GD	General Director
EHS	Environment, Health and Safety
AGM	Annual General Meeting

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CHAIRMAN'S STATEMENT



Dear Shareholders,

2021 has closed in the context of the Covid-19's impacts, which are still complicated and adversely affect the global and domestic economies. Production and business activities have been negatively influenced by the prolonged social distancing and restrictions on international trade. Moreover, the disruption of the global supply chain has been escalating the difficulties for businesses and been remaining an important challenge for the Pharmaceutical industry in general and DOMESCO in particular.

As an enterprise operating in the healthcare and pharmaceutical industry, DOMESCO continuously faces intertwined challenges and opportunities in 2021. Under the agile direction of the Board of Directors, the Board of Directors of DOMESCO Company had launched many simultaneous, adaptive, and flexible solutions at each stage to both ensure the safety of employees, maintain efficient production and business activities, and strictly follow local and government's epidemic prevention and control measures.

Ending 2021 under the challenging production and business conditions, DOMESCO recorded encouraging results:

- ✓ Ensure the safety of all employees.
- ✓ Maintain stability in production and business activities.
- ✓ Guarantee job and stable income for all employees.
- ✓ Secure investors' capital.
- ✓ Ensure the payment of dividends to shareholders.
- ✓ Well, perform tax obligations to the state.
- ✓ Contributing to Covid-19 prevention projects and supporting medical facilities across the country.
- ✓ Ensure adequate and timely supply of drugs and medical equipment.
- ✓ Sharing responsibilities with local authorities to carry out social duties to the community and contribute to local charity activities.

With a sustainable development orientation, DOMESCO firmly overcomes the impact of the Covid-19 pandemic and achieves many outstanding achievements in 2021, specifically as follows:

- ❖ Top 100 sustainable development enterprises in Vietnam in 2021.
- ❖ Top 500 most profitable enterprises in Vietnam in 2021.

- ❖ Top 10 prestigious pharmaceutical enterprises in Vietnam in 2021.
- ❖ Typical enterprises of Dong Thap province in 2021

The above achievements are valuable rewards recognizing the efforts of the Board of Directors and employees of DOMESCO Company.

Entering 2022, with the optimistic development when the epidemic is gradually controlled and international trade begins to reconnect, we believe that DOMESCO will continue to anticipate opportunities for sustainable growth and success. in 2022 with the following planning objectives:

- Net revenue:	1,550 Billion Dong
- Profit after Tax:	200 Billion Dong
- Dividend payout (Cash payment)	25%/ Current charter capital

Dear Shareholders!

The success of DOMESCO over the past 33 years has always been attributed to the contribution and companionship of our valuable shareholders and investors. On behalf of the Board of Directors, I would like to express my deep gratitude to all shareholders and investors who have trusted and cooperated with DOMESCO Company during the past time.

We will continue to make efforts in the future to maintain our leading position in the top pharmaceutical companies in Vietnam, in return for the trust of our shareholders, and investors in choosing DOMESCO as a reliable investment. We highly commit to continue bringing to the community high-quality, safe, and suitable products, increasing the trust of customers, promoting the company's sustainable development, and ensuring the best interests of our shareholders and investors.

I would like to thank all officers and employees of the Company for always giving their best dedication and engagement to DOMESCO's leaders to overcome all difficulties and challenges in maintaining growth momentum.

I would like to thank the Government, Ministries, and Agencies, especially leaders of Dong Thap Province, Departments, and Agencies for supporting the favorable conditions for all activities of DOMESCO.

Best regards!

CHAIRMAN OF THE BOD



Nguyen Viet Phuong

PART 1: DOMESCO OVERVIEW

1.1 GENERAL INFORMATION

Transaction name:	DOMESCO MEDICAL IMPORT - EXPORT JSC
Code:	1400460395
Listed on:	Ho Chi Minh Stock Exchange (HOSE) in 2006
Stock Code:	DMC
Charter capital:	347,274,650,000 VND
Real contributed capital of shareholders:	347,274,650,000 VND
A total volume of shares issued and listed:	34,727,465 shares
Address:	No.66, 30 Highway, My Phu Ward, Cao Lanh City, Dong Thap Province
Phone:	(84.277) 3.859.370
Fax:	(84.277) 3.851.270
Website:	www.domesco.com

1.2 VISION - MISSION - CORE VALUES

VISION

With the pioneering aspiration together with the sustainable development and investment strategy, DOMESCO strives to become the leading pharmaceutical company in Vietnam and the region, contributing to improving the quality of life.

“FOR THE QUALITY OF LIFE”

That is our orientation and commitment, DOMESCO Medical Import - Export Joint Stock Corporation continuously strives to research and develop and produce high-quality, safe, and effective products in the treatment, contributing to bringing the community a healthy and happy life.

MISSION

- ❖ Care and improve the quality of community life.
- ❖ Develop business activities associated with bringing long-term benefits to employees and social welfare.
- ❖ Provide quality and prestigious product with optimal effect on human health.
- ❖ Contribute to improving the quality of life, thereby contribute to the protection and improvement of public health.

CORE VALUES

- ❖ Take responsibility, and solidarity, promote fairness and respect for commitment to building a corporate culture.
- ❖ Continuous innovation is the foundation of development.
- ❖ Safety in all activities is the Company's commitment to the community and society.
- ❖ Compliance with laws, standards, quality policies and business ethics.

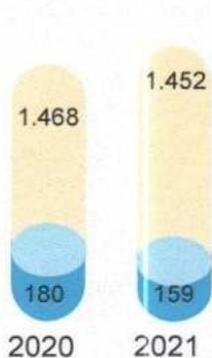
1.3 OUTSTANDING AWARDS AND ACHIEVEMENTS 2021

- ❖ Certificate of Merit for outstanding achievements in implementing the emulation "Vietnamese enterprises integrate and develop".
- ❖ Certificate of Merit for outstanding achievements in studying and following Ho Chi Minh's thought, morality, and style, period 2016-2021.
- ❖ Certificate of Merit for outstanding achievements "Good Labor, Creative Labor" among workers, officials, and laborers on the occasion of Workers' Month 2021.
- ❖ The emulation flag has successfully and comprehensively completed the task, leading the emulation in the work of Dong Thap province in 2020.
- ❖ Certificate of Merit for outstanding achievements in implementing, mobilizing, contributing, and managing Dong Thap "Union's Golden Heart Charity Social Fund" period 2001-2021.
- ❖ Decision on approval and publication of the list of "reputable exporters" in 2020.
- ❖ Top 500 most profitable enterprises in Vietnam in 2021.
- ❖ Certificate of merit for collectives and individuals with outstanding achievements in the emulation "Workers, officials and laborers strive to overcome difficulties, be creative and determined to win the Covid-19 pandemic".
- ❖ VCCI's Top 100 Sustainable Enterprises in Vietnam 2021.
- ❖ Certificate of Merit for excellent achievements in the emulation "Mobilizing strong donors to contribute to and take care of the disabled, orphans and poor patients" in 2021.
- ❖ Top 10 prestigious pharmaceutical manufacturing companies in 2021.
- ❖ Certificate of Merit for outstanding achievements in implementing "All people protect national security" in 2021.
- ❖ Emulation flags with outstanding achievements in the emulation and building a strong union in 2021.
- ❖ Cup and Logo of the title "Outstanding Enterprise" of Dong Thap province in 2021.

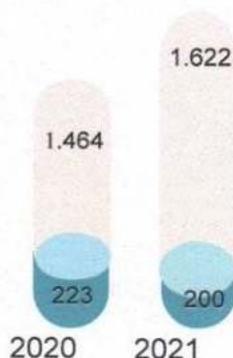
1.4 KEY FINANCIAL INDICATORS IN 2021

Items	Unit	2020	2021
Business performance			
Net revenue	Billions	1,451.95	1,498.39
Gross margin	Billions	438.47	401.62
Profit before tax	Billions	224.57	199.20
Profit after tax	Billions	179.54	159.28
Balance sheet			
Total asset	Billions	1,463.98	1,621.85
Current Asset	Billions	1,241.16	1,421.76
Non-Current asset	Billions	222.82	200.10
Liabilities	Billions	148.61	255.82
Owner's Equity	Billions	1,315.37	1,366.03
Charter Capital	Billions	347.27	347.27
Ratios			
ROS	%	12.37%	10.63%
ROA	%	12.26%	9.82%
ROE	%	13.65%	11.66%
Non-Current Asset/ Total Asset	%	15.22%	12.34%
Movable Asset/ Total Asset	%	79.67%	75.29%
% Liabilities/ Total Capital	%	10.15%	15.77%
% Owner's Equity/ Total Capital	%	89.85%	84.23%
Current Ratios	%	8.41	5.56
Quick Ratios	%	6.70	4.19
Shares information			
Price at 31/12/2021	VND/Shares	59,300	52,500
EPS	VND	5,170	4,587
Dividend	VND	2,500	2,500*

Revenue - Profit



Total Asset



Owner's Equity



1.5 KEY PRODUCTS OF DOMESCO IN 2021

DOMESCO is a long-standing pharmaceutical manufacturing brand, with more than 33 years of establishment and development, thus far, the company has been present quality and reaching out to countries in the region. Good quality medicines are the strengths that construct the DOMESCO brand, including the product groups of Cardiovascular - Diabetes, Antibiotics, Pain Relief - Anti-inflammatory medicines, and herbal and plant origin, functional products. Some typical products:

CARDIOVASCULAR MEDICINES

DOVEL 150 mg

Type 2 diabetic nephropathy with hypertension.



CO-DOVEL 300 mg/ 12,5 mg

Treatment of primary hypertension



DOZIDINE MR 35 mg

Anti-angina.



AMLODIPINE 5 mg

Hypertension, chronic angina, vasospastic angina.



DORODIPIN

Treatment of hypertension, prevention of angina.



ANTIBIOTICS

ZINMAX (250 mg & 500 mg)

Cystitis, Pyelonephritis.
Uncomplicated dermatitis and Cellulitis.



OFMANTINE (250 mg/ 62,5 mg; 625 mg; 1 g)

Treatment of tonsillitis, sinusitis, otitis media, abscesses, tooth infections...



FORTAMOX (375 mg, 625 mg, 750 mg)

Treatment of infections caused by susceptible bacteria of the lower respiratory tract, urinary tract, skin, and soft tissues.



DOCEFNR

Community-acquired pneumonia, acute sinusitis, pharyngitis.



ANTI-INFLAMMATORY PAIN RELIEVERS

DOMENOL (4 mg & 16 mg)

Anti-inflammatory/immunosuppressive drugs.



ALPHACHYMOTRYPSIN DOREN

Treatment of edema after trauma, surgery, burns.



DOPAGAN

Non-OPI pain reliever, non-steroidal anti-inflammatory fever reducer.



In addition to specialized medicinal products, the Company has been making more efforts to produce many products supporting health promotion and improving the quality of life for customers.

HERBAL-BASED PRODUCTS

DOGARLIC GREEN TEA

Reduce cholesterol, regulate triglycerides, and prevent rheumatism. Preventing and supporting the treatment of stomach ulcers caused by HP bacteria.



DORAGON

Lowering liver enzymes in patients with chronic liver disease, hepatitis B virus, fatty liver.

Recovers symptoms of digestive disorders quickly relieve itching caused by allergies, dries wounds.



D-A-R

Lower liver enzymes. Helps to clear urine, laxatives, detoxifies, clears bile.



RENAL FIBER TABLETS

Improve clinical symptoms: Back pain, painful urination, and fainting.

Prevention of recurrence of kidney stones.

Facilitating the elimination or reducing the size of kidney stones smaller than 17 mm.



FOOD PRODUCTS

DOGARLIC GREEN TEA PLUS

Support to reduce cholesterol, limit overweight and obesity.



BLACK GARLIC GARLICIN

Reduce cholesterol, promote heart health, limit the aging process.



TURMERIC DOMESCO

Reduce symptoms of stomach ulcers, flatulence, increased secretion of gastric juice



DMC - XUYEN TAM LIEN

Relieves cough, sore throat, hoarseness due to sore throat.



DOSAKA

Preventing and dissolving blood clots, preventing thrombotic symptoms such as a cerebrovascular accident.



DIET SUGAR HERBAL SWEET

Support a sugar and starch diet, and create low-calorie sweetness.



1.6 HISTORY OF ESTABLISHMENT AND DEVELOPMENT

1980	Medical Equipment Repair Station was established
1985	Renamed into Medical Supplies Company
1987	Medical Materials Supply and Service Company
1989	DOMESCO Company
1992	The Company changed its name to Dong Thap Medical Import - Export Company (DOMESCO).
1993	The Company supplemented the function of pharmaceutical production, the Company applied advanced technology to production to provide quality pharmaceuticals for the domestic market.
2000	The Company built an advanced factory system, Non-beta lactam meets GMP ASEAN standards.
2001	The Company is honored to receive the certificate of quality management system ISO9001: 2000 and is a pioneer company to bring home-made drugs into the export market.
2004	Officially transformed into DOMESCO Medical Import - Export Joint Stock Corporation.
2006	DOMESCO shares were officially listed on the Stock Exchange Center of Ho Chi Minh City (HOSE) with transaction code DMC.
2010	Officially transformed into DOMESCO Medical Import - Export Joint Stock Corporation.
2011	DOMESCO had a strategic shareholder as the number one pharmaceutical corporation in Chile and South America. CFR International Spa - Chile has accompanied DOMESCO in developing production, researching, and developing products, transferring advanced and listed production technologies with the best investor relations activities organized and surveyed by Vjetstock.
2014	The Company's charter capital was increased 1.5 times to 267,137,970,000 VND, the Company has upgraded, renovated, and increased capacity for 2 Non - Betalactam factories and Cephalosporin factories. Expanding export markets, in 2014, the company exported to some new markets in South America.
2016	The Company's charter capital was increased by 30% # VND 347,274,650,000. CFR International Spa - Chile transferred to Abbott laboratories (Chi le) Holco SPA; implemented business management through DMS One system.
2018	DOMESCO is honored to be certified as a "Sustainable Enterprise" and "Best profitable Enterprise", DOMESCO is included in the list of 27 Vietnamese enterprises honored " Best Companies to Work for in Asia 2018".
2019	Continued to receive the prestigious awards "National Quality Gold Award", "Certificate of High-Quality Vietnamese Goods", "Certificate of the Top 500 Most Profitable Enterprises in Vietnam 2019"; "Top 100 Vietnam Sustainable Enterprises 2019 (VCCI)"; "Top 10

prestigious pharmaceutical enterprises in 2019"; and certificates of merit for excellently completing the tasks of the Government.

The second - year was honored "Best Companies to Work for in Asia 2018-2019" by HR ASIA.

For the first time, DOMESCO was voted by Forbes Magazine as one of the Top 50 Best Listed Companies in Vietnam 2019.

2020 DOMESCO won the award "Excellent Enterprise in Asia - Pacific" by meeting the rigorous standards of the Enterprise Asia International Advisory Council on sustainable development capacity, commitments in business standards. Continue to make unremitting efforts for the quality of community-oriented products and continuously receive noble titles. DOMESCO was voted by Forbes Magazine as one of the Top 50 Best Listed Companies in Vietnam 2020, among the Top 10 Prestigious Pharmaceutical Companies in 2020. Continuously gaining the trust of consumers when being voted for the title " Vietnam high quality goods".

2021 At the beginning of a new decade, DOMESCO was honored to receive the Certificate of Merit for collectives and individuals with outstanding achievements in the emulation movement "Workers, officials, and laborers make great efforts to overcome difficulties, be creative and determined to fight. victory over the Covid-19 pandemic" awarded by the owner of the People's Committee of Dong Thap province. At the same time, in the year the company received the Cup and Logo of the title "Typical Enterprise" of Dong Thap province in 2021, this is a title honoring businesses with particularly outstanding achievements in building and developing businesses. industry, improve competitiveness, achieve efficiency in production and business, actively participate in international economic integration and well implement policies towards employees, actively participate in activities social security, and actively contribute to the economic and social development of Dong Thap province. In addition, there are many achievements awarded by prestigious organizations:

- ❖ Decision on approval and publication of the list of "Prestigious exporters" in 2020 of the Ministry of Industry and Trade.
 - ❖ Top 500 most profitable enterprises in Vietnam in 2021 by Vietnam Report Joint Stock Company (Vietnam Report).
 - ❖ Top 100 Vietnam Sustainable Enterprises 2021 by VCCI.
 - ❖ Top 10 prestigious pharmaceutical manufacturing companies in 2021 - Vietnam report.
-

1.7 BUSINESS SECTOR AND BUSINESS PRESENCE

1.7.1 BUSINESS SECTOR

Business sector: DOMESCO is an enterprise specializing in the research, development, production, marketing, and trading of Pharmaceuticals, a medicine derived from Medicinal Materials, Functional foods, drinking water, and herbal drinking ... Besides, the company also operates in the field of import and export of medicine, medicinal ingredients, food - functional foods, medical supplies, and medical equipment domestic and for export.

DOMESCO is a prestigious and long-established pharmaceutical brand in Vietnam that meets all the most stringent standards of the Ministry of Health on medicine production such as Good Manufacturing Practice - GMP, Good Storage Practice - GSP, Good Laboratory Practice - GLP, Good Distribution practice - GDP, and Good Pharmacy Practice - GPP.

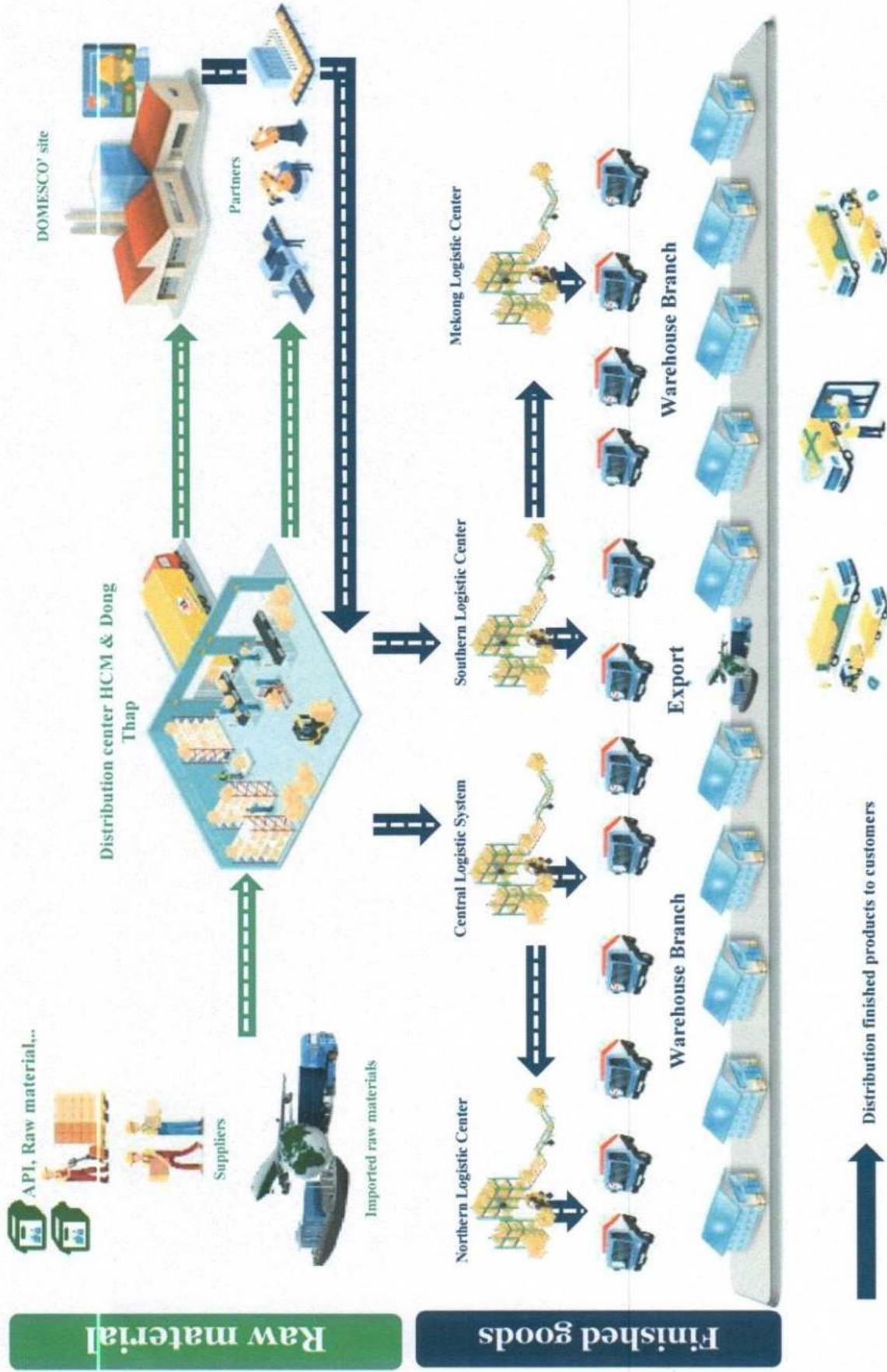
Meeting all the standards of pharmaceutical production of the Ministry of Health has demonstrated the consistent quality of DOMESCO's products - committed to providing the best quality products to consumers with the slogan "For the quality of life". Until now DOMESCO has researched and released to the market more than 350 products including:

- ❖ Pharmaceutical chemicals: cardiovascular, diabetes, antibiotic, antipyretic, respiratory, digestive, mineral vitamins.
- ❖ Medicines from medicinal herbs.
- ❖ Health protection food products.
- ❖ Food products.

1.7.2 BUSINESS PRESENCE

With a history of 33 years of establishment and development in the pharmaceutical industry, up to now, the DOMESCO brand has been present throughout Vietnam with 9 branches stretching from South to North, providing medicinal products for the system. hospitals across the country and nearly 22,000 customers outside the treatment system. In addition, DOMESCO also exports drugs to 13 countries around the world, especially countries in Asia and Latin America.

Logistic System



DOMESTIC MARKET

DOMESTIC MARKET: **100%** coverage in Cities and Provinces



Serving **750** Public hospitals



Present at **700** Health Centers



Partner with **350** Private Clinics



Reach **22,000** retail customers



Connect **550** Provincial pharmacies

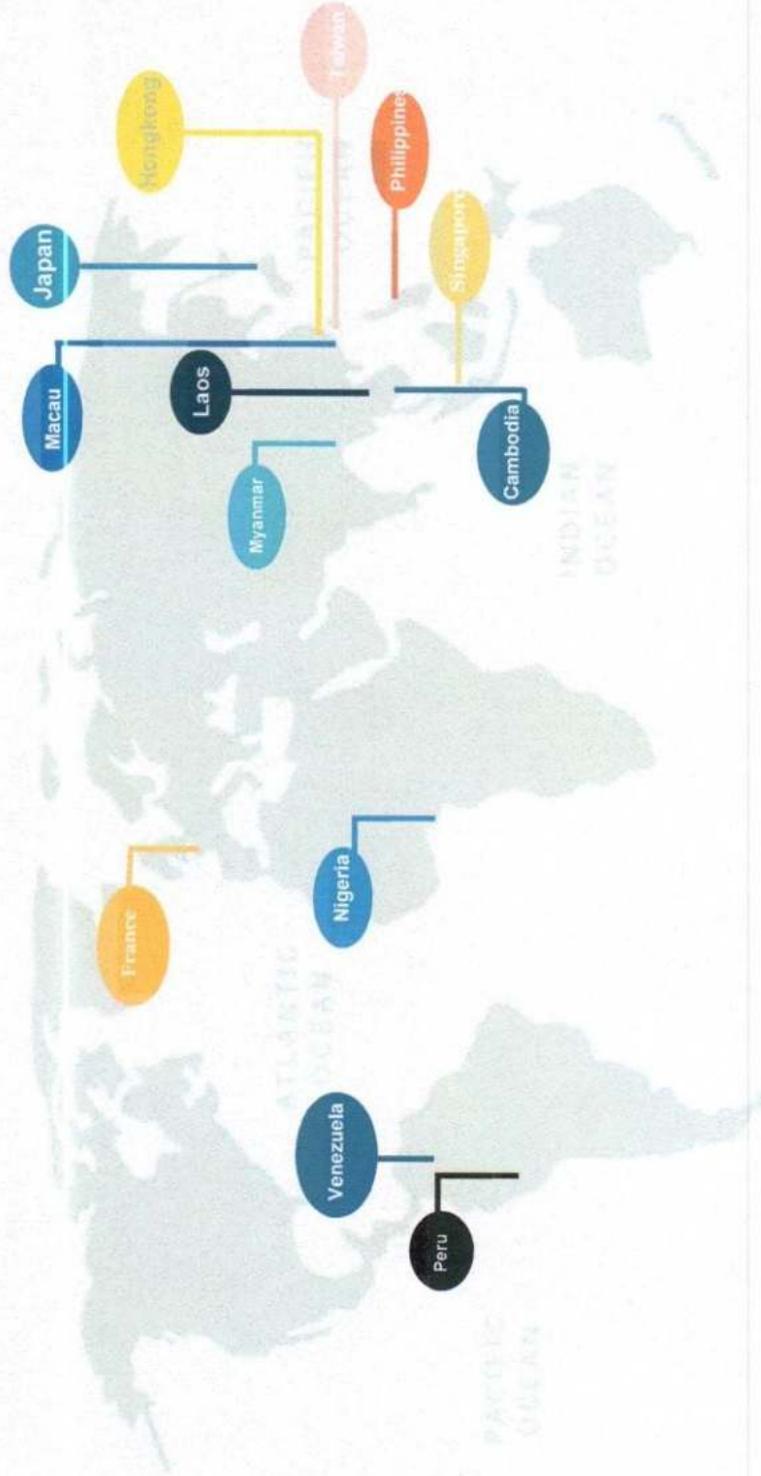
4 Top local pharmaceutical company in Vietnam

9 branches cover 63 provinces

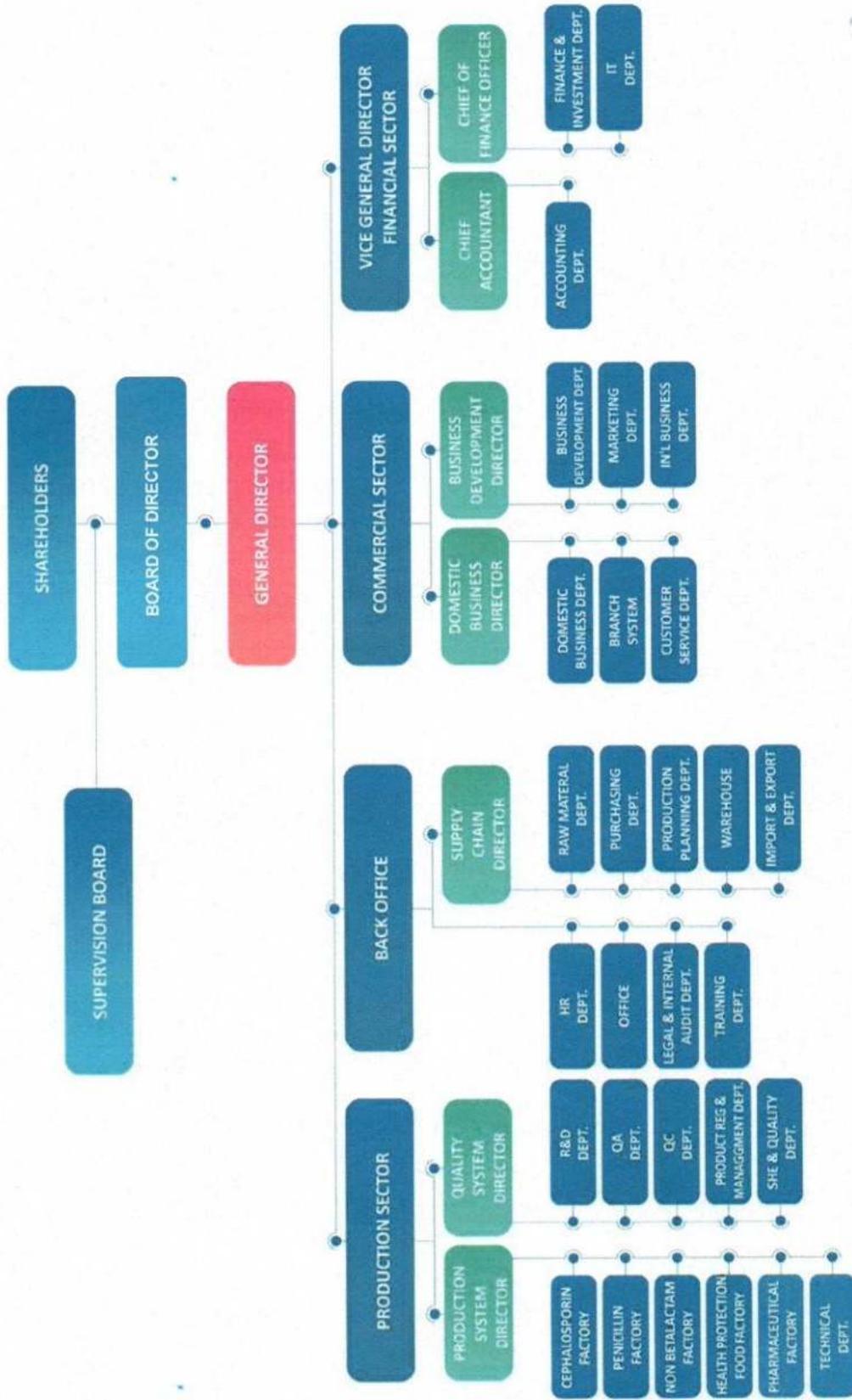
2 Central warehouses
9 Branch warehouses +65 vans & trucks



EXPORT MARKET



1.8 MANAGEMENT AND ADMINISTRATION
1.8.1 ORGANIZATIONAL STRUCTURE



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1.8.2 KEY CHANGES IN 2021

In 2021, the Board of Directors has unanimously appointed Mr. Nguyen Viet Phuong, the representative of SCIC capital at DOMESCO, to hold the position of Chairman of the Board of Directors in place of Mr. Le Dinh Buu Tri according to his resignation letter from June 30, 2021.

Dissolution of branch office of DOMESCO Medical Import - Export Joint Stock Company in Vinh city from June 30, 2021.

1.8.3 INTRODUCTION OF SENIOR EXECUTIVES IN THE COMPANY

Mr. LE DINH BUU TRI

Chairman of the Board

Non-executive members of the BOD

Head of Development Policy Subcommittee

Year of birth: 1970

Nationality: Vietnamese

Level of qualification:

Master of International Trade and Finance



Work history

- 5/2001 - 5/2006: Legal Manager – Manulife (Vietnam) Insurance Company
- 5/2006 - 5/2007: General Director – Manulife Fund Management (Vietnam) Insurance Company
- 06/2007 - 9/2014: Managing Director of The Southern Branch - State Capital Investment Corporation (SCIC)
- 1/2018 - 06/2021: Chairman of BOD of DOMESCO

Mr. NGUYEN VIET PHUONG

Chairman of the Board

Non-executive members of the BOD

Year of birth: 1979

Nationality: Vietnamese

Level of qualification: Master of Business Administration



Work history

- 5/2007 - 12/2008: Head of Foreign Capital Management Department, Transaction Office 1 of Vietnam Development Bank, Hanoi
- 01/2009 - 6/2015: Deputy Head of Export Credit Department, Head Office of Vietnam Development Bank, Hanoi
- From August 2015 - Present: Deputy Head of Investment Department 3, State Capital Investment Corporation, Hanoi
- 06/2021 - present: Chairman of the BOD of DOMESCO Medical Import - Export Joint Stock Company/ BOD Chairman of DOMESCO

Owning shares of DMC:

+ Individuals owning shares of DMC: 0 shares

+ Representative of SCIC capital at DOMESCO 7,835,404 shares # 22.56%

Mr. LEONID GOLDSHTEYN**Non-executive members of the BOD**

Development policy committee member

Year of birth: 1981

Nationality: American

Level of qualification: Master of Business Administration

**Work history**

- 2002 - present: Hold the position at Abbott Laboratories respectively: Senior Cost Analyst, Finance Supervisor, Sr. Manager - Business Development, Director Licensing & Acquisitions, Sr. Director Strategic Management Office, Controller - Emerging Markets, and present Divisional Vice President APAC.
- 6/2020 - present: BOD member of DOMESCO

Owned DMC shares: 0 Share

Mr. CEDRIC GUY YVES SCHEPENS**Non-executive members of the BOD**

Year of birth: 1982

Nationality: Switzerland

Level of qualification: Master of Business Engineering

**Work history**

- 9/2006 - 5/2008: Controller Solvay Pharmaceuticals SA, Brussels
- 5/2008 - 11/2010: Controller Solvay Pharmaceuticals GmbH, Hanover
- 11/2010 - 06/2012: Financial Analyst Abbott Products Operations, Basel
- 6/2012 - 3/2016: Financial Controller Abbott Korea Limited, Seoul
- 4/2016 - 6/2017: Chief Financial Officer Abbott Products Operations, Basel
- 7/2017 - 2/2020: Vice President of Strategy Abbott Products Operations, Basel
- 3/2020 - present: APAC CFO, Abbott Laboratories Pte Ltd, Singapore

Owned DMC shares: 0 Share

Mr. DOUGLAS KUO**Non-executive members of the BOD**

Year of birth: 1969

Nationality: American

Level of qualification: Bachelor of Business Administration

**Work history**

- 2008 - 2010: Managing Director - 3A Pharma Singapore Private Ltd.,

- 6/2010 - present: General Director - 3A Nutrition (Vietnam) Company Ltd.,
- 12/2016 - present: BOD member of DOMESCO

Ms. LUONG THI HUONG GIANG

Deputy Chairman of Board

Executive members of the BOD

General Director

Head of Human Resources subcommittee

Head of Salary and bonus subcommittee

Member of the Development Policy subcommittee

Year of birth:1967

Nationality: Vietnamese

Level of qualification: Pharmacist and Master of Business Administration



Work history

- 09/1992 - 11/1997: Sales & Marketing Director - The Resident R.O of Sandoz Consulting Ltd., Switzerland
- 12/1997 - 03/2004: General Director - The Resident R.O of Biochemie GmbH, Austria
- 09/2004 - 10/2005: Deputy Chief Representative Office - The Resident R.O of Commerce & Technology Transfer Ltd., BVI
- 04/2006 - 05/2006: Deputy Chief Representative Office - The Resident R.O of Pharmascience Inc., Canada
- 07/2006 - 07/2007: Head of Representative Office - The Resident R.O of Chemo Iberica SA, Spain
- 08/2007 - 4/2014: Head of Representative Office- The Resident R.O of Sinensix & Co, Scotland 05/2014- present: General Director of DOMESCO
- 11/01/2013 - 11/01-2018: BOD member of DOMESCO
- 12/1/2018 - present: Deputy chairman of the BOD of DOMESCO

Owned DMC shares: 0 Share

Mr. NGUYEN VAN HOA

Executive members of the BOD

Deputy General Director

Head of the audit committee

Year of birth:1967

Nationality: Vietnamese

Level of qualification: Bachelor of accountancy



Work history

- 1992 - 2006: Deputy of Accounting Department - DOMESCO
- 2006 - 2011: Chief financial officer - DOMESCO
- 2011 - present: Deputy General Director - DOMESCO
- 2006 - 2009: BOD member term I of DOMESCO

- 2014 - 31/03/2022: BOD member term III, IV - DOMESCO

Owned DMC shares:

+ Individual :0 shares

+ Representative for SCIC capital at DOMESCO: 4.219.063 shares # 12.15%

Ms. PHAM NGOC TUYEN

Chief Accountant

Year of birth: 1969

Nationality: Vietnamese

Level of qualification: Bachelor of accountancy



Work history

- 1990 - 1993: Working at Dong Thap Medical Import-Export Joint Stock Company
- 1993 - 2000: Deputy Accounting Department of Dong Thap Medical Import - Export Joint Stock Company
- 2000 - 2003: Head of the internal audit department of Dong Thap Medical Import - Export Joint Stock Company
- 01/2004 - present: Chief Accountant at DOMESCO

Owned DMC shares: 34.234 shares

Mr. NGUYEN PHI THUC

Head of Supervisory Board

Head of Internal Audit

Year of birth: 1979

Nationality: Vietnamese

Level of qualification: Bachelor of Business Finance



Work history

- 2001 - 2009: Working at DOMESCO Medical Import - Export Joint Stock Company, in turn holding the role of specialist in the Quality Assurance Department, a specialist in the accounting department, a specialist in the Internal Audit Department
- 2009 - present: Head of Supervisory Board Term II and Term III and IV at DOMESCO

Owned DMC shares: 0 shares

Mr. PHAN THE THANH

Member of Supervisory Board

Year of birth: 1983

Nationality: Vietnamese

Level of qualification: Masters of Economic



Work history

- 2005 - 2009: Appraisal specialist at Head Office of Bank for Investment and Development of Vietnam
- 2009 - 3/2020: Specialist - State Capital Investment Corporation.
- 2014 - present: Member of Supervisory Board at DOMESCO
- 3/2020 - present: Deputy Chief Executive Officer of State Capital Investment Corporation (SCIC)

Owned DMC shares: 0 shares

Mr. SAMUEL TIMOTHY NANCE

Member of Supervisory Board

Year of birth: 1978

Nationality: American

Level of qualification: Master of accountancy



Work history

- 8/2002 - 2/2008: Audit Manager, Deloitte (U.S.A)
- 2/2008 - 11/2010: Senior International Financial Auditor, Abbott (U.S.A)
- 11/ 2010 - 5/2014: Financial Controller, Abbott Nutrition (Philippines)
- 5/ 2014 - present: Financial Controller, Abbott Nutrition (Vietnam)
- 12/2016 - present: Member of Supervisory Board DOMESCO

Owned DMC shares: 0 Shares

Ms. SERVANE GORGIARD

Member of Supervisory Board

Year of birth: 1982

Nationality: French

Level of qualification: Master of International Financial Analysis



Work history

- 2008 - 2012: Senior analyst - Jaccard Equity Research
- 2012 - 2014: Chief Financial officer of Southeast Asia - CFR Pharmaceuticals
- 2015 - 2017: Financial Manager, Special Projects - Abbott EPD
- 2017 - 2018: Commercial Financial Controller - Abbott EPD
- 2018 - present: Head of Supply Chain - Abbott EPD
- 2014 - present: Member of Supervisory Board at DOMESCO

Owned DMC shares: 0 Shares

Ms. SZE CHIN WONG**Member of Supervisory Board**

Year of birth: 1978

Nationality: Singaporean

Level of qualification: Bachelor of accountancy



Work history

- 7/2007 - 4/2011: Business Analysis and Planning Manager of Singtel, Singapore
- 4/2011 - present: Working at Abbott Laboratories (Singapore), holding the positions of Senior Financial Analyst - SEA, Senior Financial Analyst - APAC, FP&A Manager - APAC, Senior FP&A Manager - APAC, Area Assistant Controller

Owned DMC shares: 0 shares

Mr. NGUYEN DUY TUNG**Chief Financial Officer - Corporate governance officer**

Member of Human Resources Committee

Year of birth: 1969

Nationality: Vietnamese

Level of qualification: Bachelor of Accounting - Bachelor of Law



Work history

- 1992 - 1999: Staff - Manager APM - Saigonship
- 1999 - 2001: Chief Financial Officer ANDIKA Vietnam
- 2001 - 2007: Head of Accounting dept, ERP Project Manager, and Terminal Equipment Manager at Telecom's Mobile Center
- 2007 - 8/2014: Deputy General Director of REE Securities Company, Deputy Director of Power & Water Development Project, Investment Director of RNG Fund Management Company - REE and Gemadept
- 09/2014 - 02/2015: Deputy Director of REE Refrigeration Electrical Engineering Joint Stock Company
- 02/2015 - 06/2017: Assistant to General Director of DOMESCO Medical Import - Export Joint Stock Company
- 06/2017 - present: CFO at DOMESCO

Owned DMC shares: 0 shares

1.9 DEVELOPMENT STRATEGY

The Company's development strategy focuses on high-quality healthcare products to bring the community a healthy life. At DOMESCO, we focus on improving product quality, constantly improving products, and creating many new products to keep up with the trend of health care, to meet the needs of customers.

The company is committed to creating conditions for each individual to develop, to creating inspiration and opportunities for each member of the company. Focus on developing corporate culture and working environment in compliance with regulations on business ethics.

Company strategy:

- Taking the goal of sustainable development as orientation.
- Continue to research and develop products to adapt to the needs of treatment and improve people's quality of life.
- Upgrading the production line to international standards.
- Promote the building of corporate brand, the brand of the Company's products.
- Building a professional distribution system and developing domestic and foreign markets.
- Building highly qualified, professional staff with a challenging welcoming spirit.

PART 2: OPERATIONAL REPORT



A- MACRO-ECONOMIC OVERVIEW

2.1 VIETNAM MACRO-ECONOMIC OVERVIEW 2021

After two years of crisis due to the COVID-19 epidemic, the global economy has not fully recovered and continues to face new constraints. The global economy was expected to grow 5.5% in 2021 and was forecast to grow by 4.2% in 2022. Major economies such as the United States, European Union (EU), and China increase in 2021 and were forecasted to have a long-term growth trend. Governments in these countries have gradually removed fiscal and monetary support policies, especially in the context of rising inflation risks.

In addition, as the assessment and deployment of vaccines varied from country to country, and disruptions to global supply chains remain unresolved, fiscal space was dwindling in many countries. In Vietnam, the severe impact of the COVID-19 outbreak that lasted from April 2021 to the end of the third quarter of 2021 slowed down the economic recovery process.

GDP fell by more than 6% in the third quarter of 2021. As a result, Vietnam's GDP in 2021 was estimated to grow by only 2.58% (According to the General Statistics Office), 4.2 percentage points lower than the World Bank's forecast in December 2020.

Consumption growth was negatively affected by the Covid-19 epidemic:

Total consumption in 2021 decreased by 3.8% year on year due to the impact of stricter social management measures. Trade and consumer services at the end of the year started to recover, total retail sales of goods and services in the fourth quarter reached VND1,312.6 trillion, up 28.1% QoQ and slightly down 2.8% YoY.

The service sector is particularly severely affected by the epidemic

The service sector in 2021 increased by 1.22% YoY (in the fourth quarter of 2021 alone, it increased by 5.42% YoY - the lowest level in statistical history). The negative growth of the service industries accounted for a large proportion such as wholesale, retail (-0.2% YoY), accommodation and catering (-20.8% YoY), and transportation and warehousing (-5.0% YoY) reducing the overall growth of the service sector and the whole economy.

Inflation in 2021 remained low

The average CPI in 2021 increased by 1.84% YoY, the lowest level in the past 5 years and safe compared with the target of less than 4% of the Government set out in Resolution 01/NQ-CP at the beginning of the year. Quarterly alone, the average CPI increased by 1.89% in the fourth quarter, down slightly from 2.51% in the third quarter. However, inflation was on an increasing trend as the world's consumption demand recovered rapidly thanks to the accelerated vaccination program.

Core inflation tends to be similar to headline inflation, the average core CPI increased by 0.81% compared to 2020.

In 2021, the main factors affecting CPI include:

- Prices of food items decreased by 0.54% compared to the previous year, causing the overall CPI to decrease by 0.12 percentage points;
- The Government implemented support packages for people and producers facing difficulties due to the Covid-19 epidemic such as the support package of the Electricity of Vietnam, so the average price of electricity for daily life decreased by 0.89% over the same period last year 2020, thus reduced the overall CPI by 0.03 percentage points;

- Domestic petrol and oil prices increased by 31.74% over the previous year, causing the overall CPI to increase by 1.14 percentage points;
- Gas price increased by 25.89%, causing the overall CPI to increase by 0.38 percentage points;

2.2 VIETNAM'S MACRO-ECONOMIC PROSPECTS IN 2022

Growth in 2022 is forecast to reach 6.3%

In 2022, the Covid epidemic will still be relatively well controlled in Vietnam thanks to a high rate of vaccine coverage (specifically, as of December 31, 2021, the coverage rate for 1 dose of vaccine reached 79%, Coverage of enough basic vaccine doses reached 66%, higher than the target set by the World Health Organization by the end of 2021 - 40% of the population of each country is vaccinated). Therefore, service, tourism, and accommodation activities are expected to recover, although not like before the epidemic, the opening of international routes will also be limited to the group of countries with good control. In addition, the support package for socio-economic recovery and development implemented in 2022-2023 with a scale of 350,000 billion VND submitted by the Government to the National Assembly during the first extraordinary session of the XV National Assembly will be "leverage" recovery in the coming period, has been approved thanks to the following factors:

1. Public debt/ GDP reached 44% - currently at a low level;
2. State budget revenue in 2021 is high, reaching VND 1,563,300 billion, 16.4% higher than the estimate. With the above basis, Vietnam's GDP growth forecast in 2022 will reach 6.3% factors include:
 - Domestic consumption and manufacturing activities recovered.
 - Exports continue to benefit from the roadmap to join FTAs, world consumer demand recovers after the epidemic, and transport costs cool down.
 - The return of FDI inflows.
 - Vietnam's inflation is still well controlled at 3.8% for the whole year-2022.
 - Although some risk factors increase inflation pressure in 2022, Vietnam's inflation is expected to be well controlled at 3.8% for the whole year 2022 due to:
 - + The SBV's monetary policy is more cautious in the face of concerns about inflation risks, M2 money supply slows down, foreign currency purchases are more conservative.
 - + Commodity price volatility, including food and gasoline prices, is tilted to the upside, but at a slower pace as supply chain disruptions are gradually resolved.

2.3 PHARMACEUTICAL INDUSTRY OVERVIEW 2021

Pharmaceutical sales declined due to prolonged social distancing during the 3rd and 4th outbreaks in Vietnam.

Based on the bidding data from the Vietnam Drug Administration and comments of listed pharmaceutical companies, it was estimated that the total revenue of Vietnam's pharmaceutical industry in 2021 decreased by 9% compared to the same period last year, of which from retail stores increased only 2% over the same period, revenue from hospital channel decreased 14% over the same period. The application of strict social distancing in the provinces, especially the

southern region, had caused disruptions in the supply and distribution activities of pharmaceutical companies.

Meanwhile, many hospitals were forced to convert into Covid treatment centers, causing a sharp drop in drug procurement revenue, while the hospital channel currently accounts for more than 60% of pharmaceutical demand.

An extremely difficult year for Vietnamese hospitals as the number of Covid-19 patients increases rapidly. In 2021, the intensive care units (ICUs) were often overloaded with the shortage of a large number of highly qualified doctors and nurses, and the treatment of Covid patients was mostly free or charged at relatively low fees.

Imported medicines still dominate the market.

According to the General Department of Customs, the total value of Vietnam's drug imports in 2021 continued to increase by 5.3% over the same period last year as the domestic drug supply barely increased due to the stagnation of many manufacturing factories, domestic production, while demand for imported Covid-specific medicines was increased. Thus, the total market share of Vietnam's imported drugs increased slightly to 58% in 2021 compared to 56% in 2020 and continues to dominate compared to domestically produced drugs.

2.4 GROWTH PROSPECTS IN 2022

It is predicted that the impacts of the Covid-19 epidemic will be less severe: With nearly 80% of the Vietnamese population fully vaccinated with 2 doses, while the new Covid variants may be less dangerous, the lower rate of hospitalizations, healthcare demand in 2022 is expected to soon surpass and return to pre-Covid levels. The number of visits to hospitals for medical examination and treatment will recover to normal levels, and the pharmaceutical group will have significant additional revenue from covid treatment drugs such as pain relievers, fever reducers, and medicines to treat respiratory diseases, absorption, and vitamins.

Thanks to the rise of health insurance in Vietnam and increased government control over prescription medicine sales, the hospital channel (ETC) is expected to continue to grow. Currently, the ETC channel contributes more than 74% of pharmaceutical sales in Vietnam, an increase of more than 5% compared to 2018 when the Government still aims to increase universal health insurance (reaching 91%).

In 2021, health insurance coverage in Vietnam will reach 91% (up from 76% in 2015), with a high number of doctors and hospital beds compared to other countries in the region. Over the past 10 years, the number of hospital beds and doctors has increased by 4.3% and 5.1%/year, respectively, much higher than the population growth rate of 1.1%/year. Therefore, the better quality of medical care is helping to increase awareness and demand for healthcare. Regarding the long-term outlook, the Ministry of Health targets a higher insurance coverage rate of 95% by 2025 and expands the list of drugs covered by health insurance. Based on the rapid aging rate and increasing environmental pollution in Vietnam, the health care spending trend still has a lot of potential for growth in the long term.

Pharmaceuticals and other medical services are in high demand due to the aging population structure and increasing per capita income: According to World Bank estimates, Vietnam's population over 65 years old will double-double in the period 2020-2040, increasing from 7.9 million people in 2020 to 18.4 million people, or 18% of the total population in 2040.

The government continues to reform policies to support domestic pharmaceutical companies

and reduce the burden of health insurance.

The authorities continued to amend the regulations on drug bidding at public hospitals, to (1) encourage domestic enterprises to produce generic drugs to replace expensive imported drugs; and (2) reduce the financial burden on the health insurance fund, as premium revenue has struggled to keep up with demand for insurance payments in recent years.

In 2020, the Government issued Circular 15/2020/TT-BYT to replace Circular 09/2016/TT-BYT, expanding the list of drugs tendered by hospitals and drugs for centralized procurement (drugs provided by the Vietnam Social Security Administration, direct bidding). As a result, drug prices in the hospital channel are gradually becoming more transparent, helping domestic manufacturers compete with expensive imported drugs that previously dominated hospitals. In addition, the Pharmacy Law (Chapter II, Article 7) and Circular 03/2019/TT-BYT stipulate not to call for bids for imported drugs when domestically produced drugs meet the requirements for treatment, drug prices, and supply capacity, creating a great advantage for domestic medicines.

B- 2021 PERFORMANCE EVALUATION

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2.5 REPORT AND EVALUATE THE PERFORMANCE OF THE BOARD OF DIRECTORS IN 2021

2.5.1 THE IMPLEMENTATION OF THE 2021 RESOLUTION

Resolution No.	Content	Outcome
01/NQ-HDQT	The Board of Directors agreed to convene the 2021 Annual General Meeting of Shareholders.	Implemented.
02/NQ-HDQT	Credit limit 2021.	Credit line contract 2021 was signed and implemented according to the limit approved by the Board of Directors.
03/NQ-HDQT	Approved: Report on operation results in 2020; Report on the implementation of the Financial Plan 2020; Report on the implementation of the Resolution of the Board of Directors until March 10, 2021; Total salary fund in 2021.	Implemented according to this resolution.
04/NQ-HDQT	Approval of documentation of the 2021 Annual General Meeting of Shareholders. Approving the plan of the Internal Audit Subcommittee in 2021.	Implemented according to this resolution.
05/NQ-HDQT	Agree to submit to the Annual General Meeting of Shareholders in 2021 the plan targets for 2021. Approval of documents submitted to the 2021 Annual General Meeting of Shareholders.	Approving the financial plan for 2021. Net revenue is 1,540 billion VND; Profit after tax is 215 billion dongs; Dividend payment (in cash) is 25%/current charter capital.
06/NQ-HDQT	Agree to supplement the program of the General Meeting of Shareholders in 2021 with the additional election of members of the Board of Directors for the fourth term (2019 - 2024).	Include Mr. Nguyen Viet Phuong on the Board of Directors for the fourth term (2019-2024)
07/NQ-HDQT	The Board of Directors assigns positions in the Board of Directors. Independent member of the Board of Directors: The 2021 Annual General Meeting of Shareholders has authorized the Board of Directors for the fourth term (2019 - 2024) to continue to search for at least one (01) candidate for the Board of Directors, who meets the criteria for success. Independent member of the Board of Directors, report to the General Meeting of Shareholders for additional election to the Board of Directors following the law and the	<ul style="list-style-type: none"> + Mr. Nguyen Viet Phuong - Chairman of the Board of Directors - Standing Board of Directors + Ms. Luong Thi Huong Giang - Vice Chairman of the Board of Directors - Standing Board of Directors + Mr. Nguyen Van Hoa - Member of the Board of Directors + Mr. Douglas Kuo - Member of the Board of Directors + Mr. Leonid Goldshteyn - Member of the Board of

Resolution No.	Content	Outcome
	Company's Charter. Therefore, the incumbent Board of Directors will continue to actively find suitable candidates for the position of Independent Member of the Board of Directors to nominate to the General Meeting of Shareholders as soon as possible.	Directors + Mr. Cedric Guy Yves Schepens - Member of the Board of Directors
08/NQ-HDQT	Select Ernst & Young Vietnam Co., Ltd. to be the audit service provider for the financial year 2021 of the Company.	Signed an audit contract with Ernst & Young Vietnam Co., Ltd for the 2021 financial statements on June 8, 2021.
09/NQ-HDQT	The Board of Directors agreed to dissolve the branch of DOMESCO Medical Import - Export Joint Stock Company in Vinh City.	Dissolution of Vinh branch from June 30, 2021.
10/NQ-HDQT	Approved: Report on the first 6 months of 2021; Report on the implementation of the BOD's Resolution to August 31, 2021; Distribution of remuneration for the Board of Directors and Supervisory Board ("BOS") in 2021.	Implemented according to the content of this resolution.
11/NQ-HDQT	Dividend payment for the year 2020.	The closing date for the list is October 26, 2021; The dividend payment date is December 10, 2021; The payout ratio is 25% in cash (equivalent to 2,500 VND/share).
12/NQ-HDQT	The Board of Directors appoints members of the subcommittees under the Board of Directors.	Implemented according to the content of this resolution.
14/NQ-HDQT	Approved: Report on operation results of the first 9 months of 2021; Report on the implementation of resolutions of the Board of Directors until November 15, 2021.	Implemented according to the content of the resolution.

2.5.2 EVALUATE BUSINESS RESULTS IN 2021

Figure: Revenue - Profit after Tax 2021



Table: Revenue - Profit after Tax 2021

Unit: Billion Dong

Item	Plan	Actual 2021	Actual 2020
Revenue	1,540.00	1,498.39	1,451.95
PAT	215.00	159.32	179.54
ROS	13,96%	10,63%	12,37%

Source: Audited Financial statement in 2021

The outbreak of the Covid-19 epidemic has dealt a heavy blow to the world economy in general and Vietnam's economy in particular. In particular, since the outbreak of the 4th Covid-19 epidemic in April 2021, it has negatively impacted most economic sectors, including the pharmaceutical industry. Although DOMESCO's revenue in 2021 reached nearly 1,500 billion, an increase of 3.2% over the same period in 2020 thanks to the efforts of the Company's Board of Directors to promptly supply new products, helping to treatment and recovery after Covid-19. However, the disrupted supply chain of raw materials caused the price of raw materials to escalate hurting the Company's profit.

Also in 2021, the Company has implemented a series of anti-epidemic measures to ensure safety in production and business and ensure the rights of employees during the epidemic period, which led to an increase in costs and reduced efficiency. In addition, the shortage of shipping containers resulted in higher freight rates, putting pressure on fees to increase, leading to a decrease in profit after tax by 11.3% over the same period last year.

2.6 OPERATIONAL CAPACITY ASSESSMENT

CUSTOMER CARE

The customer care department was established to implement customer care programs to satisfy customers' needs, thereby supporting the company's business activities.

In addition to building information channels so that customers can easily access information about the Company, product features, prices, payment methods... The customer care department receives all information about complaints customer complaints, timely detects errors in services for customers, or records customer comments to improve quality, product design as well as service to satisfy customer requirements. customers, and at the same time help customers see that the company cares about taking care of customers and continuously improving customer service.

Up to now, the Customer Care Department is not only a department to receives and handles customer problems, but also an important support department for the company's business strategies and marketing activities.

Last year, under the significant influence of the Covid-19 pandemic, the Customer Care Department had constantly innovated its approach to information through various forms, digitizing as well as optimizing the process, and quickly processing it, supporting to solve problems not only related to products and services but also health-related issues during the epidemic period when

customers need it. Today, with the trend of personalizing the customer experience, the Customer Service Department has been constantly finding new solutions and proposals to get closer to customers, promptly listen to and overcome defects, outstanding points in customer service, bringing the highest satisfaction to customers.

ACTIVITY CAPACITY

▲ Quality system:

DOMESCO has successfully applied the integrated management system of ISO 9001, ISO 13485, ISO/IEC 17025, ISO 14001, with a production system certified for Good Manufacturing Practices as recommended by the Health Organization In the world (GMP-GLP-GSP-WHO), the business system achieves GSP - GDP - GPP.

DOMESCO Company is implementing and continuing to improve its comprehensive quality system: GMP good manufacturing practice, GLP good testing practice, GSP good storage practice, GDP good distribution practice.

▲ Production system:

- Three factories producing pharmaceutical products meet GMP-WHO standards.
- A factory that extracts and produces medicines derived from medicinal herbs meeting GMP-WHO standards.
- A GMP certified health food factory.

▲ Distribution system:

- Expanding to 63 provinces and cities nationwide.

System of 09 branches located in Hanoi, Hai Duong, Da Nang, Khanh Hoa, Mien Dong, Ho Chi Minh, Dong Thap, Can Tho, and An Giang.

DOMESCO's sales team has been serving more than 24,000 customers nationwide, including hospitals, medical centers, private medical examination and treatment facilities, pharmaceutical companies, pharmacies and agents, and medication management.

- Exporting to markets in Asia, Africa, and Latin America.

▲ Research and Development:

- Invest and upgrade technical equipment.
- Updating and applying advanced preparation technology.
- Researching and developing special treatment product lines suitable to the needs of treatment and prevention of the Covid-19 epidemic in parallel with the research of special drug product lines suitable to the disease model of Vietnam.

STRATEGIC COOPERATION FOR PRODUCT DEVELOPMENT RESEARCH

Strategic shareholder Abbott always supports DOMESCO in its production and business activities, recognizing many achievements in improvement and innovation from all angles. The integration with Abbott not only promotes DOMESCO's international outreach strategy, enhances brand value and product quality, but also creates favorable conditions to maximize the business's opportunities.

PRODUCTION ADMINISTRATION ACTIVITIES

- Implement appropriate production plans at each stage of each factory, to optimize equipment capacity. Having a plan to deploy continuous production of many batches for a product has helped to reduce cleaning time, changing items, and equipment calibration time.
- Maintain training and standardize operations in the production process to improve labor productivity and product quality.
- Invest in new equipment in production to maintain and improve labor productivity in factories according to advanced production technology.
- Organize seminars on "Anti-waste in production", maintain the application of 5S, and improve the production process. Implement cost improvement (CIP) projects, DMS day-to-day business management, and profit enhancement (M&P) projects according to programs led by Abbott experts.
- Strengthen the role and responsibility of inspection and control of Team Leaders and part-time controllers.
- The implementation of financial cost management in production contributes to maximizing the cost, man-hours, and operating hours of the machine, thereby evaluating the efficiency in the production process monthly for each cost item. and eliminating waste in the production process.
- Product quality assurance. Maintain and closely monitor the implementation of GMP, 5S, upgrade to GMP PICs standards. Complete GMP-WHO and GSP recertification audit at the company.
- Implement and maintain well GLP and ISO 9001, ISO 14001, ISO/IEC 17025, SEDEX-SMETA 4.
- Complete the content and statistical methods applied to the product quality review.
- Practice thrift. Continue to dive into the tools to help increase productivity and reduce costs.
- Performing a 100% annual product quality review every year is scientifically based on building control parameters in batch records, bringing economic benefits and reducing production process appraisal costs.

RESEARCH AND DEVELOPMENT ACTIVITIES:

- Deploy and bring to market new products according to the plan.
- Focus on giving priority to improving products with good sales, profits, and output. Product quality improvement achieved 100% compared to the plan and equivalent compared with the same period.
- Product registration is proactively implemented following Circular 01/TT-BYT to promptly respond to requests for new registration and re-registration.
- The integration strategy for development not only helps DOMESCO and Abbott improve their competitiveness in the international market, but domestic users also enjoy many added benefits.

PRODUCTS THAT ARE INVESTED IN RESEARCH AND DEVELOPMENT

The application of scientific and technological advances to the production line not only contributes to improving DOMESCO's competitiveness in the market but also demonstrates the responsibility of the enterprise to the community.

DOMESCO is one of the pioneers in applying and investing in the latest and most modern technology to develop high-quality products with specialized formulas.

Moreover, DOMESCO, with the support of strategic shareholder Abbott, is implementing a plan to upgrade production lines, invest in new equipment in production according to GMP-EU standards, and transfer technology to customers, several strategic products.

2.7 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY ASSESSMENT

2.7.1 SOCIAL RESPONSIBILITY

Achievements in 2021:

KEY ASSESSMENT	ORIENTATION	ACHIEVEMENT
<p>Employment</p>	<p>Job security and social benefits for employees.</p> <p>Improve the quality of physical and mental life.</p> <p>Take care of workers' health.</p>	<p>Create jobs for more than 1,000 workers.</p> <p>Average income: 13 million/month.</p> <p>The company's minimum wage is always higher than the regional minimum wage.</p> <p>Implement insurance and welfare regimes for employees, 100% of employees are entitled to rights, maternity benefits, women raising children under 12 months old, filial piety, happiness... is guaranteed.</p> <p>The Covid-19 epidemic affected production and business activities that did not meet the plan. However, the Company still ensures income for employees to overcome difficulties during the pandemic.</p>
<p>Occupational health and safety</p>	<p>Ensure a safe working environment and prevent occupational diseases for employees during the working process</p>	<p>Provide a full range of protective equipment for workers in the production and business process such as protective gear, helmets, raincoats, etc.</p> <p>100% of employees receive a periodical health check. Special health check regime for employees working in a hazardous environment.</p> <p>Comply with labor safety regulations.</p> <p>100% of labor participate in annual occupational safety training. Organize the inspection and evaluation of the effectiveness of the employees' sense of performance.</p> <p>Buy accident insurance for 100% of employees as soon as</p>

KEY ASSESSMENT	ORIENTATION	ACHIEVEMENT
Training	<p>Training human resources with high professional and management knowledge, good skills capable of meeting job requirements. Create opportunities to access scientific and technical progress</p>	<p>they come to work.</p> <p>Regularly check and evaluate the working environment of employees.</p> <p>During the year, there was no recorded accident at work.</p> <p>Fully equipped with epidemic prevention equipment and health-promoting oral drugs during the outbreak of the disease.</p> <p>Total training program: 53 turns.</p> <p>Total training hours: 300.5 hours.</p> <p>A total number of employees participated: 3,847 employees and 259 managers participated.</p> <p>Total cost: nearly 2,500 million VND.</p>
Gender equality	<p>Gender equality in recruitment, job promotion is based on the real capacity of each individual.</p> <p>Open, transparent, non-discriminatory recruitment.</p>	<p>Women make up 47% of the company's total employees.</p>
Local community	<p>DOMESCO is committed to implementing good community-building projects locally. Adhere to business ethics and strive in operations to contribute to sustainable economic development, thereby improving the quality of life for employees and their families as well as the local community and society at large shared.</p>	<p>DOMESCO and all employees have always actively participated in charitable social activities, sharing with the community through the following activities:</p> <ul style="list-style-type: none"> + DOMESCO mobilized employees to contribute to the Fund "Disaster Prevention", "Vaccine Fund for Covid-19 Prevention", giving health insurance cards to poor households, awarding scholarships "A good example of studiousness", taking care of Vietnamese Heroic Mother. + In addition, to actively respond to the fight against Covid 19, the Company has supported the Dong Thap Provincial Labor



KEY ASSESSMENT	ORIENTATION	ACHIEVEMENT
<p>Health and safety of customers</p>	<p>Producing high-quality products to serve the needs of all customers.</p> <p>Always invest to improve, research new products.</p> <p>Promote initiatives to save efficiency, combat waste, and reduce environmental pollution.</p>	<p>Confederation of Labor with medical masks for the Program "Accompanying border women" and cloth masks for the districts. frontline against the epidemic. Join hands to support rice for people in Cao Lanh district to overcome difficulties during the Covid epidemic season.</p> <p>+ Contributing to sponsoring cultural and sports activities of the province by nearly 2 billion VND.</p> <p>100% of equipment and machinery are inspected, evaluated, and periodically checked.</p> <p>The production system includes 05 factories that meet GMP standards.</p> <p>Quality management system meets GLP and ISO/ IEC 17025 standards.</p>

2.7.2 ENVIRONMENTAL RESPONSIBILITY

Achievements in 2021:

KEY ASSESSMENT	ORIENTATION	ACHIEVEMENT
Energy materials, water	<p>Use energy economically and efficiently towards sustainable development. DOMESCO has applied many innovative initiatives to save energy and use energy efficiently.</p> <p>Water-saving solutions have been maintained since 2019.</p>	<p>The cost of electricity consumption in 2021 will decrease by 2.3%.</p> <p>DOMESCO has saved more than 6,000 m3 of water in 2021.</p>
Emissions	<p>DOMESCO always complies with environmental regulations according to ISO 14001:2015.</p> <p>Apply Abbott's EHS standards in operations, in conjunction with the guidance of the local professional regulatory agency.</p>	<p>Ambient air in the wastewater treatment area meets the standards.</p> <p>The monitoring results of the exhaust gas treatment tower at the testing plants met the requirements.</p>
Wastewater and waste	<p>Cooperating with Siam City Cement (Vietnam) Co., Ltd. to transport and treatment, the treatment method is co-treatment in a cement kiln at Hon Chong, minimizing the impact of waste on the environment.</p> <p>Waste classification according to Circular 36/2015/TT-BTNMT.</p> <p>Reducing the impact of waste on the environment.</p>	<p>Cooperating with Siam City Cement (Vietnam) Co., Ltd. to transport and treatment, the treatment method is co-treatment in a cement kiln at Hon Chong, minimizing the impact of waste on the environment.</p> <p>There are 6 Kaizen programs applied to reduce waste. Hazardous waste was 2,485kg and non-hazardous waste was reduced by 4,977kg.</p>
Environmental compliance	<p>No complaints about Environment, Economy, Society, towards sustainable development.</p> <p>For all officials and workers to be creative together in implementing the target "High quality - High efficiency is the vital goal of DOMESCO", this policy is directed by the General Director of the Company to implement with meaning QUALITY - EFFICIENCY must come first.</p> <p>Comply with legal requirements and other requirements on the environment - occupational health and safety according to ISO 14001 - ISO 45001.</p>	<p>Regulatory compliance through an internal management system with periodic SOPs, always ensuring the highest level of compliance.</p> <p>In 2021, no violations from the Environmental aspect were detected.</p>

2.8 REPORT ON PRODUCTION AND BUSINESS ACTIVITIES IN 2021 OF THE EXECUTIVE BOARD

2.8.1 RESEARCH DEVELOPMENT AND REGISTRATION OF PRODUCTS

Continuous innovation is the foundation for DOMESCO's development. We continuously research to improve the quality of existing products and develop new products to meet the needs of customers' health care. DOMESCO's research and product registration department is equipped with modern equipment and highly qualified human resources. Combines research activities with major institutes/schools/research centers to help DOMESCO increase its competitive advantage and maintain its position as one of the leading pharmaceutical companies in Vietnam.

In 2021, the RD department has researched and released 22 new products to the market, re-evaluating 100% of the quality of current products.

In 2021, the Company has one more product that has been announced biofuel. As of December 31, 2021, the total number of products achieving biogas production is 27 products.

Combining business development and RD to continuously evaluate and find new product development opportunities.

RD function:

- Research new products: determine product specifications, production costs, and lead times.
- New product development: developing regulatory guidelines and specifications to create new products.
- Quality check: Coordinate with QA to monitor the quality of products that have been deployed on an industrial scale, ensuring product quality when circulating on the market.
- Innovate and stay ahead: research and analyze products that other businesses are creating, as well as new trends in the industry, helping to shape the company's future.

2.8.2 PRODUCTION ACTIVITIES

Under the impact of Covid-19, the prolonged implementation of social distancing resulted in a decrease in demand for business goods, affecting production output.

During the complicated development of the Covid-19 epidemic, the Company has well complied with the "3 on-site" and "4 on-site" requirements in production by the Government to prioritize ensuring the health and safety of employees, and at the same time stabilize the continuity of business and production activities.

Monitor inventory and coordinate with the sales department, update business plan to have optimal production plan, avoid high inventory and ensure adequate supply for business.

Applying ideas to improve production processes, perfecting the system, and standardizing operation reports in production and operating equipment have contributed to increasing labor productivity and reducing product and material loss in production.

Apply anti-waste tools like fast conversion, 5S, total equipment maintenance, OEE projects, lean in production.

The production staff is trained on many devices to increase productivity and is ready to rotate jobs.

Employees understand the work, operate many machinery and equipment fluently, master GMP-WHO knowledge, and comply with SOP to limit problems in the production process.

Every year, the company coordinates with related units to conduct training for employees on safety issues in production work.

Production equipment is always checked periodically, and investment in upgrading new production equipment is considered and implemented every year.

A team of well-trained engineers with good professional skills to meet the requirements of investment and operation of new equipment.

2.8.3 QUALITY MANAGEMENT

The quality management system is always strictly controlled and managed from the input materials to the production process and finished product warehouse to control and monitor product quality during the distribution process to ensure products. provide consumers with products of the best quality.

Update and re-issue regulations related to professional regulations of state management agencies on the management of drugs of the group subject to special control into the general management system of the Company.

Regularly update raw material standards. Data safety implementation: electronic data control on Lab solution CS software for measuring devices (HPLC, UV, GC, IR).

Maintain good application of GLP quality system and ISO/IEC 17025: 2017. Continuously update quality system requirements according to GMP PIC/S standards.

Timely equip new devices with printing functions to ensure data integrity. Participating in improvement initiatives: Research and develop testing methods for NDMA and NDEA as recommended by the Drug Administration of Vietnam.

2.8.4 SUPPLY CHAIN OF MATERIALS - WAREHOUSE SYSTEM

The supply chain team at DOMESCO has a high level of expertise, has many years of experience in the field of pharmaceutical raw materials supply, and is always flexible to promptly meet the needs of raw materials and packaging for production.

Regularly update prices and market fluctuations, build optimal order plans, and be flexible in negotiating with suppliers to avoid price spikes when the market fluctuates.

Supplement the list of new suppliers to have enough raw materials and ensure the most competitive raw material prices to reduce the cost of manufactured goods.

Imported goods are always received on time to avoid storage costs. Import quotas are reviewed for timely replenishment before quotas expire to ensure continuity in production and business.

The warehouse system of raw materials and finished products meets GSP and GDP standards, along with the nationwide delivery system with a GDP-standard heating system, so the quality of raw materials and finished products is always guaranteed, safe, and effective.

2.8.5 MARKETING ACTIVITIES - BUSINESS DEVELOPMENT

To bring true values to public health, DOMESCO's marketing strategies are always based on product quality, respecting the principles of selling to the right audience, right type, right price, and right price. place.

Expand OTC distribution channels, and sell directly to GPP-certified pharmacies. Regularly survey the market to assess the potential, thereby proposing research and development directions for new products

Growth in market share of key products: Develop sales policies for each product category and level for member customers; Develop a sales support program.

Building and keeping close relationships with customers, and developing new customers through gift programs, sponsoring signs for pharmacies, and patient chairs for clinics/clinics. Organize Pharmacy meetings, and meet and connect with customers.

Promoting sales and market share of new products: Supplementing product knowledge, pathology for the Pharmacist, and the pharmacist's ability to approach and introduce products to customers; Introducing products in customer conferences of the branch; Developing reward levels for Pharmacists; Customer support program.

Developing product brands and promoting DOMESCO's brand through the program "DOMESCO people use DOMESCO products"; Sponsor the men's bicycle team "DOMESCO Dong Thap Pharmacy" and "Dopagan Dong Thap"; Promote DOMESCO brand on VTV TV channel, an online newspaper, and DOMESCO.com website and promote the brand of companion bicycle racing team "DOMESCO Dong Thap Pharmacy" and "Dopagan Dong Thap".

2.8.6 ACCOUNTING - FINANCE

Implement well the financial reporting regime according to Vietnam Accounting Standards (VAS). Training accounting staff to be ready for the transition to international accounting standards IFRS under the direction of the Ministry of Finance soon.

The legal team always timely updates legal documents related to financing and accounting to help financial and accounting activities comply with current regulations, contributing to well completing assigned tasks.

Timely conversion of data reports from Vietnamese accounting standards VAS to US GAAP accounting standards to update financial statements with strategic shareholder Abbott.

Strictly control compliance in operation and perfect corporate governance processes.

Constantly innovating and improving the quality of the information provided through analysis reports, management reports, expense reports, etc., helping the Executive Board to make quick and accurate decisions promptly.

Continuing to improve financial and accounting data on the ERP system, the process of making financial statements is automated on ERP, accurate, timely, and simplifying the accounting process.

2.8.7 HUMAN RESOURCES

At DOMESCO, our HR Strategy is especially focused on supporting and encouraging associates and developing employees, dedicating innovations to a friendly and equal working environment. We believe that each different job position will be an important key subject in all activities of the Company. We have been implementing diverse training programs for employees, constantly improving professional knowledge and career development opportunities for employees, especially managers. Highly qualified, professional, dynamic, responsible, and enthusiastic human resources are the driving force behind DOMESCO's constant development.

Over 33 years of establishment and development, DOMESCO Company always aimed for the

goal of employees. In addition to the policies of the State, the Company also proposes many solutions to best take care of employees:

- Implement special care insurance programs for managers; Life insurance for senior managers and employees; Accident insurance 24/24 for all employees right after working at DOMESCO.
- Fully equipped with personal protective equipment at each job position to ensure the safety of employees.
- Periodic health check for employees.
- The canteen serves the needs of rest and eating between shifts for production workers and office staff.
- Collective housing for workers who live far away and do not have a stable place to live.
- The movement "Growing piggy banks" has been maintained from 2014 to the present to raise funds to help employees in difficult circumstances. This is a movement with many practical meanings with good human values of solidarity - sharing - mutual support of the members in the DOMESCO house.
- The "Team Building" activity is held twice a year, creating conditions for employees to exchange and share difficulties, and joys in work and life to understand and connect better. create a creative unity collective, working together to complete tasks.
- Every year, the Union always organizes visits and gives gifts to employees who have taken leave

At DOMESCO, the company not only cares about employees but also cares about employees' relatives. The last year 2021, a difficult year for businesses due to the impact of the Covid pandemic, all cultural and sports activities were suspended. However, DOMESCO Company is still flexible, depending on the actual situation, research and organize appropriate forms on the occasion of International Children's Day 1/6, Mid-Autumn Festival, reward and a congratulatory letter from the Company's leaders. send to the children of employees with high academic achievements, support tuition fees at the beginning of the school year for children of employees with difficult circumstances.

2.8.8 INSPECTION, MONITORING, AND RISK MANAGEMENT ACTIVITIES

Maintain inspection and supervision of compliance with legal regulations, regulations, processes, internal management regulations, Code of Business Conduct, Code of Compliance, and Business Ethics of the Company for activities in the Company's divisions.

Check the observance of accounting principles, policies, and standards from the stage of making documents, applying the system of accounts, making accounting books, etc., with timely and appropriate guidance following current legal regulations. act and overcome the risks arising and causing damage to the Company.

Update information and promptly apply 404 new legal documents related to the company's the production and business activities in the fields of pharmacy, food safety, enterprise, investment, securities, labor Activity, social insurance, accounting, ...

Timely answer professional problems for departments to ensure compliance with legal regulations.

Drafting and commenting on amendments to internal management regulations and regulations

quickly and promptly promulgated to apply throughout the Company, specifically:

- Regulations on organization of the online General Meeting of Shareholders.
- Internal audit regulations.
- Regulations on environmental protection at the Company.
- The process of purchasing goods, services, and construction throughout the Company.
- Company's labor regulations.
- Collective labor agreement.
- Regulations on emulation, commendation, and discipline activities.

2.8.9 INVESTMENT, PROCUREMENT ACTIVITIES

Due to the impact of the Covid-19 epidemic, in 2021, investment and procurement will only implement items that are necessary for production activities such as renovation and maintenance of factory buildings, and procurement of machinery and equipment. equipment for production and product quality control. Procurement, investment, maintenance, and repair have been planned and approved from the previous year, helping to allocate resources and cash outflows to meet capital management requirements while still ensuring progress. project level.

The system of processes related to investment procurement is always reviewed and promptly updated with new changes to help the management work more and more closely.

2.9 ANALYSIS OF FINANCIAL STATEMENTS

2.9.1 REVENUE AND PROFIT

Table: Revenue - profitability

Unit: Billion Dong

No.	Items	2021	2020	Compared	
				Plan	2020
1	Net sales	1,498.39	1,451.95	97.30%	103.20%
2	Cost of goods sold	1,096.78	1,013.49	105.92%	108.22%
	% COGS/ Net sales	73.20%	69.80%	5.96%	3.40%
3	Gross profit	401.62	438.47	79.61%	91.60%
	% GP/ Net sales	26.80%	30.20%	-5.96%	-3.40%
4	Financial income	14.27	17.66	99.74%	80.78%
	% FI/ Net sales	0.95%	1.22%	0.02%	-0.26%
5	Financial expenses	2.71	-0.76	68.99%	-358.09%
	% FE/ Net sales	0.18%	-0.05%	-0.07%	0.23%
6	Selling expenses	144.90	153.38	89.42%	94.47%
7	General Administrative	70.31	81.91	81.21%	85.84%
	% SE + GA/ Net sales	14.36%	16.21%	-1.78%	-1.84%
8	Operating profit	197.96	221.59	74.35%	89.34%
9	Other Profit	1.24	2.97	49.79%	41.76%
10	Profit before tax	199.20	224.57	74.12%	88.71%
11	Profit after tax	159.28	179.54	74.08%	88.72%
	% PAT/ Net sales	10.63%	12.37%	-3.33%	-1.73%

Source: Audited Financial statement 2021

Revenue in 2021 reached VND 1,498 billion, up 3.4% and profit after tax reached more than VND 199 billion, down 11.3% over the same period in 2020. During the process of establishment and development, the company has constantly improved production efficiency and applied technical advances and modern machines to reduce production costs. However, the ratio of COGS to net sales in 2021 is still higher than in 2020, mainly due to the disruption of the global raw material supply chain, causing a serious shortage of API sources. Scarcity causes the prices of most raw materials to increase.

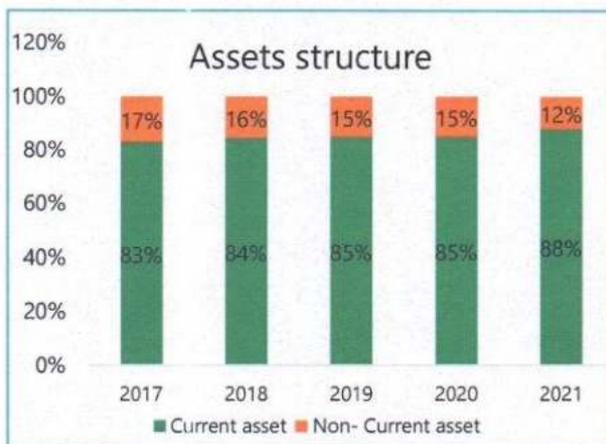
The application of social distancing in production by rescheduling production shifts also increases production costs, while DOMESCO does not increase drug prices due to the implementation of the price stabilization policy, ensuring the stability of drug prices. pricing policy for DOMESCO's customers.

Besides, compliance with the policy of "3 on-site", and "4 on-site" in production to ensure safety leads to an increase in the cost of goods sold. Freight prices also increased during the epidemic outbreak due to strict requirements on epidemic prevention, which increased input prices.

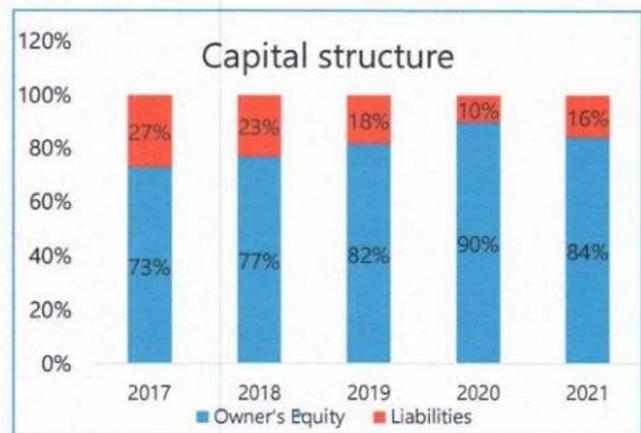
The ratio of selling and administrative expenses to net revenue decreased by 1.9% over the same period in 2020. Thanks to the implementation of the optimal plan, several unnecessary expenses were saved, saving costs throughout the Company to offset costs incurred during the epidemic period such as increased transportation costs, Covid-19 testing costs, and EHS costs to ensure the safety of employees and operations. Some sales and marketing programs have not yet been implemented in 2021 due to the impact of the Covid-19 epidemic, which is the cause of the reduction in selling costs compared to 2020.

2.9.2 ASSETS - LIABILITIES AND OWNER’S EQUITY

Assets



Liabilities And Owner’s Equity



The non-current assets in 2021 accounted for 12% of total assets, a slight decrease compared to the same period last year since the cost of new investment did not increase by the accumulated depreciation expense in the period. The company still maintains the replacement of depreciated assets and invests in new equipment to promptly meet production and business needs. Short-term assets accounted for 88% of total assets, a large source of working capital to promptly meet production and business needs. At the end of the year, the value of inventory increased by 9 compared to the same period last year and accounted for 21.5%/of total assets, due to the Company's plan to reserve scarce raw materials and commodities to ensure production and business needs in the first quarter of 2022.

DOMESCO's equity structure in 2021 accounts for 84% of total capital, an increase of VND 50.6 billion over the same period in 2020, of which 25.1% is the owner's contributed capital and share surplus, 49.3% development investment fund, and 9.8% undistributed profit. To reduce debt repayment pressure, in 2021, the company will maintain liabilities in its capital structure below 20%.

In general, the structure of assets and capital of the Company is following the direction of the Board of Directors, the progress of asset procurement has completed the set targets, the exploitation and use of new assets, and the management of existing assets. property is very well done. Working capital is strictly controlled by the Company, ready to meet capital for production and business activities.

2.9.3 FINANCIAL INDICATORS:Table: 2021 key financial indicators

Items	31/12/2021	31/12/2020	Variance
Asset structure			
Long-term assets/ Total assets (%)	12,34%	15,22%	-2,88%
Short-term assets/ Total assets	87,66%	84,78%	2,88%
Capital structure (%)			
Liabilities/ Total capital (%)	15,77%	10,15%	5,62%
Owner's equity/ Total capital (%)	84,23%	89,85%	-5,62%
Liquidity ratio (Times)			
Quick ratio (times)	4,19	8,41	(4.22)
Current ratio (times)	5,56	6,70	(1.12)
Profit ratio (%)			
ROA	9,82%	12,26%	-2,44%
ROS	10,63%	12,37%	-1,73%
ROE	11,66%	13,65%	-1,99%

Asset structure: non-current assets, accounting for 12.3% of total assets, decreased by 2.9% over the same period because some assets have been depreciated and the value of new investments is lower than accumulated depreciation. Short-term assets accounted for 87.7% of total assets, up 2.9% y/y mainly due to an increase in deposits and inventories. To prevent risks, the company has stockpiled raw materials for drug products that are in danger of being scarce and items to meet the winning bidding packages.

Capital structure: the ratio of liabilities accounted for 15.8% of total capital, increased by 5.6% over the same period due to the increase in short-term payables to sellers, while self-financed capital accounted for 84.2% of the total capital.

Liquidity: The company still maintains good short-term liquidity ratios, including quick payments, ensuring the stability and continuous operation of the company.

Profit margin: Profit after tax in 2021 decreased by 11.3% compared to the same period last year, leading to the group of ROA, ROE, and ROS profit margins all decreasing compared to the same period last year.

PART 3: CORPORATE GOVERNANCE REPORT

3.1 STOCK INFORMATION AND SHAREHOLDER STRUCTURE

3.1.1 STOCK INFORMATION

NO.	CONTENT	UNIT	VOLUME	NOTE
1	Total shares	Shares	34,727,465	
A	Total common shares in circulation	Shares	34,727,465	
B	Preferred shares	Shares	0	
C	Treasury shares	Shares	0	
D	Union Corporation	Shares	0	

3.1.2 SHAREHOLDER STRUCTURE

NO.	Object	Number of Shares	%	Number of shareholders
1	State Shareholders	12,054,467	34.71%	1
2	Major shareholder			
	- Domestic			
	- Foreign	17,948,800	51.68%	1
3	Domestic shareholders			
	Individual	3,490,398	10.05%	1,877
	Institutional	56,408	0.16%	46
4	Foreign shareholders			
	Individual	323,277	0.93%	157
	Institutional	853,115	2.46%	24
	TOTAL	34,726,465	100.00%	2,106

3.2 BOARD OF DIRECTORS

3.2.1 MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

No.	Full name	Position	Members		Regular	DMC Shares owned		Number of positions for BOD members in other companies	Appointment date	Completion date
			Execu- tive mem- bers of BOD	Non-Ex- ecutive mem- bers of BOD	BOD	% Rep- resent	% Ow- ner			
1	Le Dinh Buu Tri	BOD Chairman		x	x	22.56 (*)	0	3	1/12/2018	26/4/2021
2	Nguyen Viet Phuong	BOD Chairman		x	x	22.56 (*)	0	2	26/4/2021	
3	Luong Thi Huong Giang	BOD Vice Chairman	x		x		0	0	1/11/2013	
4	Nguyen Van Hoa	Member of BOD	x			12.15 (*)	0	1x	29/8/2006 to 27/3/2009 & 18/4/2014 31/03/2022	
5	Douglas Kuo	Member of BOD		x			0	0	12/6/2016	
6	Leonid Goldshteyn	Member of BOD		x			0	0	18/6/2020	
7	Cedric Guy Yves Schepens	Member of BOD		x			0	0	18/6/2020	

(*): Representative owns shares of State Capital Investment Corporation (SCIC) as a member of the BOD at DOMESCO. On June 30, 2021, SCIC authorized Mr. Nguyen Viet Phuong to replace Mr. Le Dinh Buu Tri to represent 22.56% of SCIC's shares at DOMESCO.

3.2.2 SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS

SUBCOMMITTEES		POSITION
Development Policy Subcommittee		
Mr. Nguyen Viet Phuong	BOD Chairman	Head of Subcommittee
Ms. Luong Thi Huong Giang	BOD Vice Chairman	Member
Mr. Leonid Goldshteyn	Member of BOD	Member
Human Resources Subcommittee		
Ms. Luong Thi Huong Giang	BOD Vice Chairman - GD	Head of Subcommittee
Ms. Vo Thi Kim Phung	Deputy Director of Human Resources	Member
Mr. Nguyen Duy Tung	CFO	Member
Salary and Bonus Subcommittee		
Ms. Luong Thi Huong Giang	BOD Vice Chairman - GD	Head of Subcommittee
Mr. Nguyen Van Hoa	BOD member	Member
Mr. Le Manh Tuan	Human resources Dept.	Member
Internal Audit Committee		
Mr. Nguyen Van Hoa	BOD member	Head of Subcommittee
Mr. Tran Thanh Thuc	Head of Legal & Internal Audit	Member
Ms. Huynh Thi To Quyen	Legal & Internal Audit senior	Member
Ms. Dao Thi Thuy Trang	Legal & Internal Audit senior	Member

3.3 ACTIVITIES OF THE BOARD OF DIRECTORS

3.3.1 MEMBERS OF BOD IN 2021

No.	BOD member	Position	Executive members of BOD	Non-executive members of BOD	Appointment date	Completion date
1	Mr. Le Dinh Buu Tri	Chairman		x	12/01/2018	26/04/2022
2	Ms. Luong Thi Huong Giang	Vice Chairman	x		11/01/2013	
3	Mr. Nguyen Van Hoa	Member	x		29/8/2006 - 27/3/2009 & 18/4/2014 - present	
4	Mr. Douglas Kuo	Member		x	06/12/2016	
5	Mr. Cedric Guy Yves Schepens	Member		x	18/6/2020	
6	Mr. Leonid Goldshteyn	Member		x	18/6/2020	

3.3.2 GOVERNANCE ACTIVITIES IN 2021

At DOMESCO from March 2011 up to now, the Chairman of the Board of Directors does not concurrently be the General Director.

The organization and operation charter, the internal regulation on corporate governance has been amended according to the regulation of the Enterprise Law 2014, Decree 71/2017/ND-CP and approved by the General Meeting of Shareholders on April 29, 2019, and continue to update according to Enterprise Law No. 59/2020/QH14 to submit to the General Meeting of Shareholders on April 26, 2021.

The Board of Directors always focuses on maintaining and enhancing the harmony of interests between shareholders and employees, acting as a bridge to connect, avoid conflicts, create a good working environment for employees to stabilize their jobs, improve their working conditions, increase skills, income and productivity, shareholders are guaranteed the dividend rate and receive dividends on time according to the announced time, preserving and promoting shareholders' investment capital.

3.3.3 ORGANIZATION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 2021 Annual General Meeting of Shareholders was held on 26/04/2021. The order of conducting the General Meeting of Shareholders was conducted following the regulations. Documents, minutes, resolutions of the meeting and counting results were published in two languages (Vietnamese and English) following the regulations on information disclosure, detailed as below:

No.	Contents	Date	Assessment: Company has strictly complied with the regulations of AGM:
1	BOD issue a resolution for the annual general shareholders of meeting ("AGM") date and records the date of the shareholders' list.	03/03/2021	
2	The company announced the closing date of the shareholder's list	03/03/2021	Announced 20 days before the record date
3	The closing date of the shareholder's list	24/03/2021	
4	The Annual General shareholders' meeting 2021 scheduled	26/04/2021	
5	Disclose resolution No. 07/NQ-HDQT above	03/03/2021	Announced 20 days before the record date
6	Disclosure of AGM documents and sending invitations to shareholders	04/04/2021	10 working days before the AGM date
7	The Annual General shareholders' meeting 2021	26/04/2021	
8	Disclosure of Minutes and Resolutions of Annual General Meeting	27/04/2021	Within 24h from time end of AGM

3.3.4 INFORMATION DISCLOSURE

In 2021, the Company announced information promptly, accurately, and following regulations. The published content was always posted in two languages (Vietnamese and English) on the company's website. Besides, the Company was always updated on the content of DOMESCO's activities on the website for shareholders, customers, and partners to access information.

3.3.5 AUDITING COMPANY SELECTION FOR THE FISCAL YEAR 2021

Resolution 01/NQ-DHCD-DMC dated 26/04/2021 of the Annual General Meeting of Shareholders 2021 approves the list of financial auditing companies 2021 for DOMESCO. The Board of Directors coordinated with the Board of Supervisors of the company to negotiate prices and responsibilities for the audit and issued Resolution No. 08/NQ-HDQT dated 08/05/2021 to choose Ernst & Young Vietnam Co., Ltd. as an audit service provider for the company's fiscal year.

3.3.6 DIVIDENDS

Resolution No. 01/NQ-DHCD-DMC dated 26/04/2021 of the Annual General Meeting of Shareholders approved the dividend of 2020 at 25% in cash, and the company paid dividends to shareholders on 10/12/2021 (25% in cash, equivalent to VND 2,500 / share).

3.3.7 ACTIVITIES OF THE BOARD OF DIRECTORS IN 2021

The mission of BOD member

<p>Mr. NGUYEN VIET PHUONG <i>BOD Chairman</i></p>	<p>Overall management of the Board's activities, directly monitoring and supervising all activities of the company through the Board of Directors. Supporting solutions for production and trading development in both domestic and foreign markets. Supervising and urging Company to prepare procedures and documents for AGM and Board of Directors meetings.</p>
<p>Ms. LUONG THI HUONG GIANG <i>Vice-Chairman of the BOD</i> <i>General Director</i></p>	<p>Cum General Director: advises the Board of Directors to make decisions on production and development research and business strategies, investment strategies, in the short, medium, and long-term in line with market trends and development directions of the Company.</p>
<p>Mr. LEONID GOLDSHTEYN Mr. DOUGLAS KUO <i>BOD Member</i></p>	<p>Advising the Board of Directors on the management, strategic direction of business development, branding, developing market share, expanding export markets, and effective reinvestment towards long-term and sustainable development.</p>
<p>Mr. NGUYEN VAN HOA Mr. CEDRIC GUY YVES SCHEPENS</p>	<p>Advising the Board of Directors on appropriate financial, monetary, and investment policies from time to time to maximize profits and minimize risks, improve cash flow, and make financial indicators healthy.</p>

The company has no independent members of the BOD; however, the company has 4/6 members of the BOD who are non-executive members. The BOD is actively looking for members who meet the standards of independent members of the BOD, who have the ability and experience to meet the company's development to submit to the General Meeting of Shareholders for addition to the BOD.

BOD members, BOS members, and General Director (CEO) were involved with a certificate in corporate governance, some foreign members do not have this certificate. Besides that, they participate in the internal and external training courses yearly to improve knowledge of corporate governance in the integration trend, and the company's legal compliance department also regularly updates and trains new documents on corporate governance.

3.3.8 MEETINGS OF BOARD OF DIRECTORS

In 2021, the Board of Directors held 04 meetings and 05 written resolutions of the Board of Directors to discuss and decide on directions and measures to implement activities related to production, business, and investment following the regulations, and the current regulations of the Company and the law.

No.	BOD member	Number of BOD meetings attended	Attendance rate	The absence reason
1.	Mr. Le Dinh Buu Tri	4/4	100%	
2.	Ms Luong Thi Huong Giang	4/4	100%	
3.	Mr. Nguyen Van Hoa	4/4	100%	
4.	Mr. Douglas Kuo	4/4	100%	
5.	Mr Cedric Guy Yves Schepens	4/4	100%	
6.	Mr. Leonid Goldshteyn	4/4	100%	

3.3.9 RESOLUTIONS OF THE BOARD OF DIRECTORS IN 2021

Resolution No.	Date	Contents	% Approval
01/NQ-HDQT	3/3/2021	The Board of Directors approved convening the annual general meeting of shareholders year in 2021.	100%
02/NQ-HDQT	18/3/2021	Bank credit line in 2021.	100%
03/NQ-HDQT	18/3/2021	BOD approved: Business performance in 2020; Financial Performance in 2020; Reporting on the implementation of BOD resolutions to 10/03/2021; Total salary budget in 2021.	100%
04/NQ-HDQT	18/3/2021	Approving the documents of the Annual General Meeting of Shareholders in 2021. Approving the plan of the Internal Audit Subcommittee in 2021.	100%
05/NQ-HDQT	2/4/2021	Submitting to the Annual General Meeting of Shareholders in 2021 the plan targets for 2021: Revenue is VND 1,540 billion; PAT is VND 215 billion; dividend (in cash) is 25%/ Current charter capital. Approving the financial plan in 2021. Approving the documents submit to the Annual General Meeting of Shareholders in 2021.	100%

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Resolution No.	Date	Contents	% Approval
06/NQ-HDQT	15/4/2021	Supplementing the program of the General Meeting of Shareholders in 2021 with an additional vote of members of the Board of Directors for the IV term (2019 - 2024).	100%
		<ul style="list-style-type: none"> - The BOD assigns positions in the BOD as follows: <ul style="list-style-type: none"> + Mr. Nguyen Viet Phuong - BOD Chairman + Ms. Luong Thi Huong Giang - BOD Vice Chairman + Mr. Nguyen Van Hoa - BOD Member + Mr. Douglas Kuo - BOD Member + Mr. Leonid Goldshteyn - BOD Member + Mr. Cedric Guy Yves Schepens - BOD Member 	
07/NQ-HDQT	26/4/2021	<ul style="list-style-type: none"> - BOD independent member: <p>The 2021 Annual General Meeting of Shareholders has authorized the Board of Directors for a term IV (2019 - 2024) to continue to find at least one (01) candidate for the BOD, meeting the criteria for independent members of the BOD, report to the General Meeting of Shareholders for additional the BOD member following the law and the Company's Charter. So, the current BOD will continue to find suitable candidates for the position of BOD Independent Member to nominate to the General Meeting of Shareholders as soon as possible.</p>	100%
08/NQ-HDQT	8/5/2021	Approving Ernst & Young Vietnam Co., Ltd is the audit company for the financials in 2021.	100%
09/NQ-HDQT	30/6/2021	The BOD agreed to dissolve the branch of DOMESCO Medical Import - Export Joint Stock Company in Vinh City.	100%
10/NQ-HDQT	28/9/2021	Approval: performance results of the first 6 months in 2021; Reporting on the implementation of BOD resolutions to 31/08/2021; Distribution of remuneration for the BOD and Supervisory Board in 2021.	100%
11/NQ-HDQT	28/9/2021	A dividend payment in 2020: Closing date of shareholder list on 26/10/2021; Date payment on 10/12/2021; rate 25% in cash (equivalent to 2,500 VND/ share).	100%
12/NQ-HDQT	28/9/2021	The BOD appoints members of the subcommittees under the BOD.	100%
14/NQ-HDQT	30/11/2021	Approval: performance results of the first 9 months in 2021; Reporting on the implementation of BOD resolutions to 15/11/2021.	100%

3.3.10 RESOLUTIONS OF THE BOD REGULAR

In 2021, the Company was not resolutions regular on the BOD.

3.3.11 SUPERVISION AND ASSESSMENT OF THE MANAGEMENT AND OPERATION OF THE BOD FOR THE BOM AND OTHER EXECUTERS IN 2021

Supervising the implementation of resolutions of the General Meeting of Shareholders, resolutions of the BOD.

Monitor and support solutions for the following:

- + Implementing sales and profit targets.
- + Focus on promoting the consumption of high-margin products.
- + Strict control of debt collection.
- + Balance cash flow to meet the need of production and business.
- + Strategy for training and attracting human resources.

Accelerate the implementation of the Covid-19 prevention, responding to the Covid-19 epidemic, regulating the Company's the production and business activities to ensure safety and smooth operation, without interruption due to the epidemic.

Control selling, administrative, and financial expenses according to the financial plan approved by the BOD in the context of high operating costs.

supervisory activities for the Board of Management are carried out regularly and closely through regular meetings of the Board of Directors and regular discussions via phone, and email, to promptly direct and support the Board with operating solutions to implement the targets approved by the General Meeting of Shareholders, the BOD.

3.3.12 EVALUATE THE COMPANY'S MANAGEMENT AND ADMINISTRATION IN 2021

The year 2021 is strongly affected by the outbreak of the Covid-19 epidemic with a rapid spread and with pressure to ensure the stability of production and business activities while still ensuring the safety of health and income for employees.

Difficulty due to the decrease in sales of key specialty products at the hospital, which is DOMESCO's strength because many hospitals change their functions through covid treatment and do not accept patients. The OTC channel is also heavily reduced due to social distancing.

The implementation of "3 on-site", "4 on-site", "1 road, and 2 destinations" production and maintenance of production and business during the period of social distancing have dramatically increased costs.

Responding to this challenge, the company's Board of management quickly registered and put into production many products for the prevention of the Covid-19 epidemic, and at the same time expanded the customer group through partners, expanded sales channels through drugstore chains, online sales through e-commerce platforms in Vietnam contribute to increasing revenue to maintain company operations

The Board of Management has deployed all employees to strictly comply with the regulations of the government and the Company's regulations in the prevention of the Covid-19 epidemic, including this content in the internal training programs and periodically checking all employees of the company. At the same time, it also assigns departments, teams, and groups to directly and

regularly inspect and supervise employees' compliance with regulations in epidemic prevention and control.

In 2021, although the results were not achievable targets, the Board of Directors assessed that the DOMESCO Board of Management was successful in operating, ensuring the safety of production and business, stable income and jobs for employees, and paid full dividends to shareholders. The Board of Directors highly appreciated the ability of the Board of Management in providing timely and prompt solutions at each specific stage to help the Company overcome many difficulties and stabilize in this period.

3.4 ACTIVITIES OF THE SUB-COMMITTEES IN 2021

The Board of Directors has established 4 affiliated sub-committees, the activities of the sub-committees in 2021 are as follows:

No.	Sub-committees	Number of meetings in 2021	Activities of the subcommittee in 2021	Evaluation of the subcommittee's activities in 2021
1.	Policy Development Subcommittee	04	<p>Building a business plan for 2021.</p> <p>Advise financial policies, monetary, and risk factors related to the financial operations of the company.</p> <p>Develop market share, expand the product portfolio for the prevention of Covid-19, and expand domestic and foreign distribution channels.</p>	<p>Advising building the development strategy of the company.</p> <p>Support solutions to achieve the target of increasing revenue and profit, promoting product consumption, recovering debts, and balancing cash flow to meet the production and business needs of the company.</p>
2.	Human Resources Subcommittee	04	<p>Advise on the development of working plans and staffing plans to ensure the "4-on-site" principles including On-site production, on-site accommodation, on-site dining, and on-site health care following prevention regulations Covid-19 epidemic.</p> <p>Inspect the implementation of legal policies on labor, labor contracts, regimes on health insurance - social insurance - unemployment insurance, and other regimes for employees according to regulations.... to ensure the maintenance of a harmonious relationship between the Company and the employees.</p> <p>Inspect and review the organizational structure of departments in the company.</p> <p>Inspect and review the working and resting time of the Employees following the Company Rules and the Law, including the arrangement of personnel to work during the Covid-19 epidemic.</p> <p>Checking and reviewing recruitment health standards regulations.</p>	<p>Well, perform the role of consulting for the Board of Directors, the Executive Board on the organization and coordination of personnel, especially during the peak period of the Covid-19 epidemic, the period of implementing social distancing, ensuring The Company's operations are continual.</p> <p>Maintain periodical inspection of the legal policies implemented on labor, compulsory insurance regimes, and welfare regimes for employees in a timely and correct manner.</p>

No.	Sub-committees	Number of meetings in 2021	Activities of the subcommittee in 2021	Evaluation of the subcommittee's activities in 2021
			Check and review the HR management process.	
3.	Salary and Bonus Subcommittee	04	<p>Inspect and supervise the evaluation of the working efficiency of employees to serve as a basis for salary increase and the salary calculation and bonus following under the issued regulations.</p> <p>Inspect and supervise the payment of wages during the Covid-19 epidemic following the provisions of law.</p> <p>Inspect and supervise the company's salary and bonus payment regulations.</p>	<p>The activities of the Salary and Bonus Sub-Committee meet the role of advising the Board of Directors, the Board of Management in the development of salary - bonus - welfare benefits for Employees. Thereby, stimulating work efficiency and creating long-term retention with the Company.</p>
4.	Internal Audit Committee	04	<p>Inspect and supervise the compliance with laws, and resolutions of the General Meeting of Shareholders, the Board of Directors for the activities of the Executive Board, the management departments, and related departments.</p> <p>Inspecting the organization of the Annual General Meeting of Shareholders in 2021.</p> <p>Auditing that the preparation and presentation of financial statements comply with applicable laws and accounting standards.</p> <p>Auditing corporate governance following the Enterprise Law 2020, Investment Law 2020, Securities Law 2019, and guiding documents.</p> <p>Auditing the implementation of regimes and benefits for employees, ensuring compliance with current laws and the Collective Labor Agreement.</p> <p>Auditing the insurance purchase for property and goods, ensuring the insurance service provider was chosen full capacity and experience following current regulations, and ensuring the effectiveness of the operation insurance purchase.</p> <p>Review the insurance company's claim process and procedures when an insured event occurs.</p> <p>Auditing the executive promotions, ensuring that the executive promotions comply with the sales program/sales policy registered/notified with the competent state agency and approved by the Board of Management.</p>	<p>The Internal Audit Subcommittee has fully performed the audits following the audit plan approved by the Board of Directors.</p> <p>The audit results honestly and objectively reflect the Company's the production and business activities.</p> <p>Reports on audit results, proposals, and recommendations (if any) of the Internal Audit Subcommittee were promptly and fully communicated to the audited department, the Board of Management, and the Board of Directors.</p> <p>The Board of Management and the Board of Directors have supported and promptly provided relevant information for the audit activities of the Internal Audit Committee to be carried out smoothly, quickly, and accurately.</p> <p>Completing the Internal Audit Regulations according to Decree 05/2019/ND-CP dated January 22, 2019, of the Government on internal audit and submitting to the Board of Directors for approval, serving as a legal basis for the audit activities of the Subcommittee Internal audit.</p>

3.5 BOARD SUPERVISORY

3.5.1 MEMBER OF SUPERVISORY BOARD

No.	Member Of Supervisory Board	Title	Date of becoming/ceasing a member of the Supervisory Board	Number of shares owned
1.	Mr. Nguyen Phi Thuc	Head of Supervisory Board	27/03/2009 - present	27 shares
2.	Mr. Phan The Thanh	Member	18/4/2014 - present	0
3.	Ms. Sze Chin Wong	Member	18/6/2020 - present	0
4.	Mr. Samuel Timothy Nance	Member	6/12/2016 - present	0
5.	Ms. Servane Gorgiard	Member	18/4/2014 - present	0

3.5.2 EVALUATION OF THE SUPERVISORY BOARD ACTIVITIES

No.	Meetings	Contents	Results
1	28/02/2021	<p>Summarized operation results in 2020 and operational directions for 2021 of the Supervisory Board.</p> <p>Discussed and evaluated the business results in 2020 of the Board of Directors and the Board of Management according to the planned approved by the General Meeting of Shareholders.</p> <p>Appraised financial statements for 2020 before submitting them to the General Meeting of Shareholders.</p> <p>Discuss the auditing companies list that will audit the financial statements in 2021 and submit them to the General Meeting of Shareholders.</p>	5/5 approved
2	09/09/2021	<p>Summary of the results of the Supervisory Board's activities in the first half of 2021.</p> <p>Evaluated directive and executive role of the Board of Directors and the Board of Management.</p> <p>Report on the key activities of the Supervisory Board in the first 6 months of 2021. Operation plan for the last 6 months of 2021.</p>	5/5 approved

3.5.3 INTERNAL CONTROL SYSTEM AT DOMESCO COMPANY

- The Company has developed and issued fully internal regulations, regulations, processes, and instructions for operations arising during the company's operation, ensuring a reasonable organizational structure to control, prevent, detect and promptly handle possible risks, ensure the company's operations are safe, efficient and achieve the set objectives.
- Based on fully complying with legal regulations and applying corporate governance rules according to international practices, promoting the value of DOMESCO's corporate cultural identity, business ethics, the company has issued and perfected the system of documents of the company for business activities, production, finance, accounting, investment, and corporate governance.
- The Board of Directors and Board of Management, relevant individuals, departments within their capacity and responsibilities, actively review the suitability, reasonableness, and compliance of internal documents to propose appropriate amendments and supplements to enhance and improve the efficiency of the internal control system of the Company.

3.5.4 INTERNAL CONTROL ACTIVITIES AT DOMESCO

- ❖ **Direct control:** Based on laws and regulations, processes, regulations, instructions, internal SOPs, issued KPIs, individuals, and departments are responsible for implementing and evaluating the implementation of assigned responsibilities. The Head of the department is directly responsible to the Board of Management and the law for the compliance and the performance results of directly managed employees;
- ❖ **Activities inspecting:** The Internal Control & Internal Audit Department performs periodic, irregular, thematic inspections and/or controls the operational performance of individuals and departments. In addition, the Chief Compliance Officer also participates in the process of inspecting and monitoring activities arising in the course of business and financial accounting, ensuring the Rule of Compliance and the Rule of Business ethics. The business is fully implemented and effective in actuality;
- ❖ **Internal audit:** Based on the assigned functions, duties, and capacity, the Inspection Committee internal team advises the Board of Directors to perform the audit of production and business activities corporate venture, investment, and finance;
- ❖ **Supervising the performance of the Board of Directors, Executive Board:** The Supervisory Board inspects and supervises the law compliance of the Board of Directors, the Board of Management, and the company's managerial staff, appraised financial statements, the implementation of business plans and performance of other tasks following the law, the Company Charter and Management regulations;
- ❖ **External audit:** includes the audit of an independent auditing agency, a competent state management agency.

3.5.5 RISK MANAGEMENT

In 2020, our internal control and risk management procedures provided a structure and stability in a challenging environment caused by the Covid-19 pandemic.

Based on identifying, analyzing, and assessing the level of risk impact, the Company has proposed solutions to prevent and minimize the negative impact of risks that may be incurred.

The Company has developed a Quality Policy, a Rule of Compliance, a Rule of Business Ethics, internal regulations, and corporate culture based on compliance with laws and regulations

suitable for the actual as well as the company's development orientation, as a guideline for all activities and development of the Company.

a. Legal policy risks

+ **Risk**

- Legal documents are often changed. Omission in updating legal documents in time, and not understanding the law will result in the risk of being complained about, being sued, and damaged due to noncompliance with the law.
- In some specific cases, the legal documents are not clear, specific, or confusing, causing difficulties in the process of application and implementation in practice.

+ **Solutions**

- Regularly update legal documents, and guiding documents of specialized management agencies and deploy them to relevant individuals and departments, providing training and instruction in a direct, online form or other suitable approaches.
- Update and amend internal regulations to ensure compliance with current legal regulations and the actual situation.
- Review the legality of contracts, transactions, and agreements signed between the company and customers, ensure full compliance with applicable laws, and harmonize legal interests between the transaction parties.

b. Business risks

+ **Risk**

- The lower planned bidding prices at public and private hospitals had increasingly turned the market to become more difficult for pharmaceutical companies, which have high-quality brands and investments to access this market.
- The implementation of social distance measures during the epidemic in many localities reduced the travel demand of people, affecting the sales of the company and its customers.

+ **Solutions**

- Identify the target market and focus on developing special treatment products that are the strength of the company, creating a competitive advantage in quality and packaging design.
- Focus on training to improve the quality of human resources in sales activities, product research, and development, corporate governance,... to meet the requirements of the company development as well as the successor team.
- Strengthen cooperation with companies with large distribution systems so that they give priority to distributing some products that are not on the company's development priority product list.
- Improve delivery and customer care methods to suit the actual situation and customer needs based on compliance with laws, company regulations, and business ethics.
- Apply information technology in all activities of the company, promptly respond to customer needs, and improve corporate governance efficiency, time, and operation cost savings.

c. Production risks**+ Risk**

- Domestic authorities continuously enhance and improve quality standards of raw materials, pharmaceutical products, and health protection goods products following international standards, so production processes and equipment technology need to be updated and timely improvement.
- The situation of Covid-19 epidemic around the world has caused many raw material factories to close or implement the border lockdown policy, social distance, which impacted the raw materials supply for drug production, especially in countries with strong export activities of raw materials to Vietnam such as China, India and some European countries.

+ Solutions

- Actively update requirements, and change quality standards of raw materials, finished products, and production standards following legal regulations and market trends.
- Implementing solutions to upgrade the factory systems according to the advice of strategic shareholder ABBOTT.
- Regularly contact the suppliers of raw materials so that the supplier gives priority to supplying raw materials to DOMESCO, avoiding the postponement in production due to the shortage of raw materials.

d. Risks in cost management**+ Risk**

- The method of transporting goods has changed and transportation costs have increased due to the Covid-19 impact.
- Pressure on input costs increases (salary, insurance, fuel costs, ...) while selling prices are bound by the control and management of competent state agencies.
- The Covid-19 epidemic caused the world economy in general and the Vietnamese economy in particular to stagnate, the financial situation of many companies faced many difficulties, the decrease in state budget revenue caused a deficit in budget expenditure, which slowed the payment progress of customers, affecting the capital turnover of the business.

+ Solutions

- Planning the costs for all activities of the company, closely monitoring revenues and arising expenses to balance the operating budget, and actively managing capital sources to serve production needs.
- Strengthen the implementation of a comprehensive cost reduction strategy, avoid wasting resources, and reduce costs in production and business activities.
- Manage well debts, and limit the occurrence of capital appropriation and/or insolvency of the company's customers.

3.5.6 INTERNAL CONTROL AND RISK MANAGEMENT AT DOMESCO**Information and communication activities**

- The company has developed and applied a job description for each job position; periodically deploys and trains current legal regulations and internal regulations related to the activities of

relevant individuals and departments;

- Conduct a periodic assessment of core corporate values and employee duty understanding; ensure that each employee is aware of and understands the roles and responsibilities of the individuals and divisions involved in the process of implementing the task;
- The company has implemented risk identification, impact assessment and issued preventive remedial measures to minimize and eliminate arising adverse factors; periodically updates, adjusts following the reality and communication across the company to raise the sense of responsibility, the role of managers and all employees;
- Implement well the internal communication mechanism, from managers to employees and vice versa, ensuring relevant information is communicated honestly, promptly, and accurately.

Inspection and supervision activities

- Based on the assigned functions, duties, and capacities and the targets and plans approved by the General Meeting of Shareholders, each individual and department must develop an operation plan to ensure the completion of assigned tasks. Individuals and divisions actively report on the progress of performance and propose solutions to improve operational efficiency to direct superior managers (if any).
- The Internal Control and Control Department is responsible for developing a plan to inspect and supervise the company's activities and implementation. Based on assessing the impact level of the risks, the Internal Control and Control Department performs periodic, ad-hoc, thematic, or regular inspections and assessments during the operation.
- The Internal Audit Committee and the Supervisory Board conducted audit activities, focusing mainly on the following areas: efficiency of production and business activities, honesty of financial statements, compliance with internal regulations, and applicable laws. The Internal Audit Committee and the Supervisory Board perform the inspection independently and/or coordinate with the Internal Control and Control Department in its operations.
- The manager of the department will evaluate and organize the implementation of solutions, proposals, and recommendations of the inspection team or submit them to the BOM for appropriate directions and orientations suitable for actual operations of the company and current regulations.

Implementation of recommendations

- The ideas and recommendations after each inspection are fully implemented. The inspection team re-examines the implementation it's after being agreed upon by officers and departments directly managed.
- The Company has built a mechanism to reward and penalty appropriately to promote the positive factors, repel the situation of violating the law, violating company regulations.

3.5.7 EVALUATION OF THE BOARD OF SUPERVISOR'S ACTIVITIES

- The Board of Supervisory had inspected and supervised the activities of the Board of Directors, the Board of Management, and managerial staff following the Law on Enterprises, the Company's Charter, Internal Management regulations, and guiding documents.
- Coordinating with the Legal Department and Internal Inspection to complete the inspection of business activities at 09/09 branches; inspect the purchase of equipment, tools, and tools for the company's the production and business needs; inspect the legality and reasonableness of

receipts and payments; appraisal of quarterly, 6-month, 9-month, and annual financial statements; reviewed transactions between the company and related persons. In addition, the Board of Supervisory coordinated with the Board of Directors to successfully organize the 2021 Annual General Meeting of Shareholders.

- Diversify methods of inspection and supervision to suit the actual business situation of the company, creating favorable conditions for the inspection department. In addition to the inspection and supervision, the Board of Supervisory had also performed well in the role of advising and consulting the Board of Directors, and management staff in the process of operating production and business activities, strengthening the management. risk and improve the corporate governance system.
- Inspection and supervision activities of the Board of Supervisory were implemented according to the periodic or irregular plan approved and regularly and continuously. Opinions and conclusions of the Board of Supervisory after each inspection and supervision were agreed upon by the Board of Director, the Board of Management, managers, and inspected subjects and strictly and sufficiently implemented. In addition, the Board of Supervisory had participated fully in the meetings of the BOD and the BOM to promptly understand the production and business situation of the company and to have appropriate suggestions and recommendations.
- Fully comply with the provisions of the Law on Enterprises, the Company's Charter, the internal regulations on corporate governance, and relevant regulations during the inspection and supervision function. In 2021, the Board of Supervisory had not detected any violations of the Supervisors in the process of performing the tasks and the Board of Supervisory had not received any complaints from the Board, the Board of Management, managers, or any shareholders, individual or organization in the exercise of rights and obligations of the Board of Supervisory and the controllers.

3.6 TRANSACTIONS, REMUNERATION, AND BONUS OF THE BOD, BOM, AND SUPERVISORY BOARD IN 2021

3.6.1 REMUNERATION AND BONUS OF THE BOD, BOM, AND SUPERVISORY BOARD IN 2021

The total amount of remuneration and bonus for the BOD, BOM, and Supervisory Board in 2021 was VND 2,162,000,000. Details of the amount spent in 2021:

Table: Remuneration and bonus of the BOD - BOM - Supervisory Board in 2021

No.	Full name	Position	Amount	Note
I. BOD - BOM				
1	Le Dinh Buu Tri	BOD's Chairman	85,066,667	Dismissed 26/4/2021
2	Nguyen Viet Phuong	BOD's Chairman	178,933,333	Appoint 26/4/2021
3	Luong Thi Huong Giang	BOD's Vice Chairman - GD	340,000,000	
4	Nguyen Van Hoa	BOD's member- Deputy GD	272,000,000	
5	Douglas Kuo	BOD's member	192,000,000	
6	Leonid Goldshteyn	BOD's member	192,000,000	
7	Cedric Guy Yves Schepens	BOD's member	192,000,000	
II. SUPERVISORY BOARD				
1	Nguyen Phi Thuc	Head of Supervisory board	230,000,000	
2	Phan The Thanh	Member	120,000,000	
3	Servane Gorgiard	Member	120,000,000	
4	Samuel Timothy Nance	Member	120,000,000	
5	Sze Chin Wong	Member	120,000,000	
Total			2,162,000,000	

3.6.2 TRANSACTIONS WITH RELATED PARTIES

No.	Name	Relationship with the company	Resolution number approved by the BOD	Goods and services purchased in 2021	Goods and services sold in 2021	Dividend in 2020
1	Glomed Pharmaceutical Co.Ltd	Related company	29/NQ-HDQT date 20/12/2016	2,301,120,000	4,522,707,200	
2	Abbott	Strategic shareholders	15/NQ-HDQT date 9/6/2017		2,013,270,367	44,874,500,000
3	State Capital Investment Corporation	State shareholders				30,136,167,500
4	Binh Thuan Pharmaceutical & Medical Supplies JSC	The company is related to Mr. Nguyen Van Hoa – BOD's Member	25/NQ-HDQT date 6/11/2015	7,883,127,610	5,765,491,183	

PART 4: DEVELOPMENT STRATEGY

4.1 LONG – TERM DEVELOPMENT STRATEGY

- Continue to research and develop products to adapt to the needs of treatment and im-prove people's quality of life. And upgrading the production line to meet international standards.
- Ensure revenue and profit growth over the years.
- Promote the building of a corporate brand, a brand of the Company's products.
- Building a professional distribution system, increasing the number of loyal customers
- Building highly qualified, professional staff with a challenging welcoming spirit.
- Taking the goal of sustainable development as orientation.

4.2 BUSINESS PLAN FOR 2022

- Ensuring the safety of production and business activities of the Company during the complicated development of the Covid-19 epidemic.
- Comprehensive risk management in all production - business - investment - finance activities.
- Continue to maintain the quality management system.
- Upgrade the production system to a higher standard to improve the profit margin of the Company.
- Deploying the production of new products suitable to the market from time to time.
- Improve logistic management to ensure continuous production to meet business needs and optimize production planning.
- Expanding sales channels through e-commerce channels and a system of branches, drugstore chains, and a system of local pharmaceutical companies.
- Looking for more partners to transfer technology and produce franchised products to early introduce new products to market.
- Strict management to save costs and continue solutions to increase labor productivity, and reduce capital costs in production and business.
- Ensure benefits for employees and shareholders.
- The Company's financial plan for 2022 is to ensure annual revenue growth as set out in the long-term plan and try to promote sales of products with good profit margins when the demand for medical examination and treatment increases after the social distancing period. The company has set a revenue increase of 3.4% and profit growth of 25.5% over the same period in 2021.

Table: Target financial plan in 2022

Unit: Billion Dong

Items	2022 Plan	Actual 2021	Growth
Net revenue	1,540.00	1,498.39	3.44%
Profit after Tax	200.00	159.32	25.54%
ROS	12.90%	10.63%	2.27%
Dividend (VND)	2,500	2,500	100%

PART 5: SUSTAINABLE DEVELOPMENT REPORT

5.1 SUSTAINABLE DEVELOPMENT REPORT

DOMESCO is a sustainable and socially responsible business, and we promote responsibility to the community through our business and production activities. In 2021, DOMESCO has completed well and contributed to promoting corporate responsibility to society, customers, employees, and the environment:

- Customer health and safety are the top priority.
- Increasing commitment to community and locality.
- Employees are an important asset source.
- Caring and proactively protecting the environment.

CUSTOMER'S HEALTH AND SAFETY IS TOP PRIORITY

Product quality is one of DOMESCO's responsibilities to customers. Especially during the difficult period of Covid-19, the DOMESCO team has continuously strived efforts to ensure the supply of medicines, meet the needs of customers during the outbreak, and ensure continuity in operation and customer care.

Target:

- ▲ Ensuring product quality is a top priority: During the Covid-19 period, production costs increased, but DOMESCO continuously improved management, ensuring to balance production costs but complied with regulations on GMP-WHO/ ISO/ TQM standards. and GLP standard, ISO/ IEC 17025, always ensure product quality to customers. With the policy of "High Quality - High efficiency is the vital goal of DOMESCO", DOMESCO is well known as a prestigious and humane brand in providing customers with quality products and services.
- ▲ Always support and care for customers: During Covid-19, social distance-limited direct customer care. DOMESCO utilized existing resources such as the customer care department and communication systems connecting sales staff, customer service staff, and customers, creating a continuum of interaction, inquiries answering, and timely support for the needs of customers.

INCREASING COMMITMENT TO COMMUNITY AND LOCALITY

Covid-19 has a strong impact on the life and economy and creates a medical crisis for our community and society. In the fight against Covid-19, DOMESCO focused heavily on aiding those most vulnerable groups.

Listen and action for the country in a difficult situation: Implement the campaign to support the Central region to natural disasters overcoming in 2021. DOMESCO encouraged workers and employees to contribute to the province's "Natural Disaster Prevention" Fund, "Covid-19 vaccination" Fund, Nguyen Sinh Sac Promoting education Fund, etc with the amount of 600 million VND.

In addition, DOMESCO has supported the Dong Thap Provincial Labor Confederation with 4,000 medical masks for the Program "Accompanying border women", 2,000 cloth masks for local workers, and 1,000 kg of rice for Cao Lanh inhabitants to overcome difficulties during the Covid epidemic season. Sponsoring for cultural and sports activities in the province is nearly 1.6 billion VND.

EMPLOYEES ARE AN IMPORTANT ASSET SOURCE

Employees are an important and valuable asset in DOMESCO. During the epidemic period with difficult challenges, DOMESCO has implemented many measures to ensure the health of employees, constantly updating and promptly informing employees about epidemic prevention measures through many means of communication.

Target:

- ▲ Ensuring health and safety: In response to a pandemic, it is essential to take measures to protect our employee's safety while maintaining the continuity of production and medicine supplies. DOMESCO is equipped with antibacterial masks; hand sanitizer; antibacterial fabric masks to support union members and workers.
- ▲ Support workers in difficult circumstances due to illness and the Covid-19 epidemic.
- ▲ Continuity of connection and support: we used a variety of means of communication to continuously promote the spirit of anti-epidemic diseases and provided good mental health care for our employees during business stressful times due to the effects of epidemics.
- ▲ Strictly complied with anti-epidemic measures: Implement screening measures including daily health and temperature checks, monitoring, travel medical clearance, and work from home policies for employees in the risky areas. In production activities, DOMESCO proactively arranged work shifts and production, implemented a policy of social separation, prepared free industrial meals, and arranged a safe seating position to minimize the risk of Covid-19 infection.
- ▲ Mental health care for employees: Although in difficult business times due to epidemics, the company always ensures the spiritual life for employees, but still ensures safety through activities such as birthday gifts, team building, family caring policy, organizing sports and entertainment activities. The cost of implementing employee care policies is more than VND 5 billion by 2021.

CARING AND PROACTIVELY PROTECTING THE ENVIRONMENT

DOMESCO is committed to sustainable business and upholds business ethics through a sustainable development policy that minimizes the risks of impact on human health and the environment. DOMESCO has been applied, maintained, and improved the Quality Management System ISO 9001:2015, ISO 13485:2016, the Environmental Management System ISO 14001:2015, the Health and Safety Management System according to ISO 45001:2018, Quality management systems specifically applied for testing and calibration laboratories according to international standards ISO/ IEC 17025:2017. Details of the programs are mentioned in Section 5, section 2.3.

Target:

- ▲ Reduce energy consumption use energy efficiently, for sustainable development: To reduce energy consumption, from 2018 to 2021, DOMESCO has applied many initiatives. Innovation helps to save energy and use energy effectively. We apply for the Kaizen energy efficiency program in business and production activities, saving 105,668 kWh of electricity and 4,000 m³ of water by 2021.
- ▲ Reducing the impact of waste on the environment: we are always innovating and initiating waste reduction and recycling, minimizing the risk of impact on the environment, including waste classification according to Circular 36/2015/TT-BTNMT, reduced sources used to

reduce waste; Recycling; compost composting, incineration for energy recovery. We apply for the Abbott EHS program in the management of safety in production and minimizing our impact on the environment. EHS costs are considered and increased each year to ensure waste treatment compliance. The results of emission monitoring over the years are qualified.

	<i>Unit</i>	2019	2020	2021
EHS Expenditure	Million VND	2,524	3,296	3,306

Raise Awareness Among Employees in sustainable energy and fuels consumption: Economical use of fuel resources is a target we always aim for and strive to achieve. The Company always raises awareness through propaganda newsletters, warning labels, and savings requests at all taps, electrical equipment, which implements a BBS (Behavior-based safety) report that promotes reporting all water and electrical leaks spotting, motivates improvement and deserves rewarding among all employees.

5.2 THE MAIN FOCUS OF DOMESCO

5.2.1 SOCIAL FOCUS

GRI 401 - EMPLOYMENT

DOMESCO's human resource strategy is especially focused on supporting and encouraging associates and developing employees, and efficient working environment. We believe that each position will be an important key subject in all activities of the Company. We have been implementing diverse training programs for employees, constantly improving professional knowledge and career development opportunities for employees, especially managers. Highly qualified, professional, dynamic, responsible, and enthusiastic human resources are the driving force behind DOMESCO's constant development.

With a scale of over 1,000 employees, DOMESCO has built a rigorous recruitment process to select qualified workers, suitable for each job position to maintain a highly skilled and knowledgeable human resource. At the same time, a good remuneration regime also contributes to attracting talents to be Company's staff

Recruitment plan: Every year, based on the recruitment needs of each department, branch, and the company's development orientation, a plan to recruit personnel is proposed. Recruitment notice: All recruitment information is widely posted by the company on many channels: internal, company website, recruitment service providers, and social networking platforms. Recruitment principles: Openness, transparency, and non-discrimination.

The requirement in recruitment:

- Job description, requirements, standards, as well as salary, bonus, remuneration policy, benefits of vacancies, are detailed on each job posting.
- The recruitment process is approved by the recruitment council and communicates the results to candidates to create fairness in the recruitment process.
- Labor contract: According to the Labor Law of Vietnam, regarding requirements, and nature of the job, when recruited, the employee will undergo a probationary period, which depends on their professional qualifications but not longer than 2 months. DOMESCO then will sign labor contracts with employees in one of the following forms:

- + Contract for seasonal or specific jobs with a term of fewer than 12 months.
- + Term labor contract from 12 months to 36 months.
- + Indefinite term labor contract.

Working conditions:

- Working time is regulated no more than 8 hours/ 01 day, 48 hours/ 01 week according to the provisions of the Labor Law and applies from Monday to Saturday every week, ensuring that employees have time to work overtime.
- For production division: working 3 shifts depending on the production plan, break time between 30-45 minutes shift.
- For the Business division: depending on the characteristics of each locality, reasonable days off will be arranged to ensure employees have a break to regenerate their labor.
- All employees are entitled to public holidays, leave, and private leave but are still entitled to salary following the current law.

Compulsory insurance policy: DOMESCO reserves Monthly Social Insurance (SI), Health Insurance (HI), and Unemployment Insurance (UI) for employees following the law, specifically in 2021 at the rate:

No	Items	% Covered by DOMESCO	% Covered by Employee	Total
1	Social Insurance	17.5%	8.0%	25.5%
2	Health Insurance	3.0%	1.5%	4.5%
3	Unemployment Insurance	1.0%	1.0%	2.0%
	Total	21.5%	10.5%	32%

Currently, the average salary of DOMESCO is 13 million/ month, 2.97 to 3.83 times higher than the regional minimum wage of local. DOMESCO's Minimum wage for employees with working tenure <06 months is 1.44 times higher than the regional minimum wage in Dong Thap, Ho Chi Minh City and Hanoi.

GRI 403 - OCCUPATIONAL SAFETY AND HEALTH

MANAGEMENT METHODS

Employee safety and health is an issue that DOMESCO Medical Import - Export Joint Stock Company is always focused on in all aspects. We care about the health of our employees not only in the working environment but also in their living places. The health and safety of employees is the main factor determining their work efficiency, so directly affects the production and business activities of enterprises.

Department of Safety - Health - Environment & Quality was established with the function of environmental management, occupational health safety, occupational safety, and health - labor protection, fire prevention, firefighting, and flood prevention, building an integrated quality management system for the Company.

DOMESCO manages occupational safety and health through the Occupational Health and Safety Management System following ISO 45001:2018 and Abbott's EHS standards, updated to the Board of Directors regularly. through quarterly EHS symposium; weekly department report, integrated quality management system quarterly report; ...

In 2021, the company applies and integrates into the quality management system which assesses the implementation of social responsibility and business ethics based on SEDEX-SMETA 4 standards.

Policy	Policy on integrated quality management system: Quality - Environment - Safety for occupational health according to Decision No. 113/ QD-NS/ DMC dated Jun 07, 2021, signed and approved by the General Director.
Commitment	Ensure no labor accidents and occupational diseases. Satisfying customer requirements, minimizing the impact on the environment, and occupational health safety.
Target	Minimize the factors that are detrimental to the environment, factors affecting the safety, occupational health, and well-being of workers - the community to achieve the long-term goal, which minimizes employee injury, reduces environmental emissions and reduces resource use in all operational aspects. All workers are healthy to work, do not suffer from occupational diseases, and control risks to prevent accidents and fire incidents.
In Charge	Master, Pharmacist Luong Thi Huong Giang - General Director of the Company is the Chairman of the Occupational Safety and Hygiene Council of the Company and authorizes the Director of the Environment - Health - Safety and Quality Department (EHS-quality) comprehensively manages the EHS quality activities of the Company.
Resources	The Council of occupational safety and health includes 09 members. Department of Safety and Health, Environment & Quality has 22 members, performing in charge of EHS-quality activities.

Receiving and resolving complaints Mechanism	The Department of Safety and Health, Environment & Quality is the focal point to receive risk reports from all departments, from the Safety and Health Services, to coordinate with relevant departments for a timely response.
Specific programs, actions, projects, and initiatives during the year	The company develops programs and plans for environmental protection - Occupational safety and health - Fire prevention every year. Issuing occupational safety handbook, SOPs related to occupational safety and health; Regulations on fire prevention and fighting; Regulations on Student Safety and Hygiene; Measures to prevent and respond to emergency incidents. Develop and implement Covid-19 prevention programs for the entire company, ensuring safety and effectiveness.

ASSESSMENT OF MANAGEMENT METHODS

Overall assessment of corporate health and safety management methods in 2021

Evaluation mechanism	Results	Adjust or suggested adjustment
Evaluate the implementation of Regulations and Processes according to internal or external audits	DOMESCO always fully implements the Regulations, Processes, and current legal documents related to EHS-quality work.	Any noncompliance with the Regulation or Procedure is documented and corrective and preventive measures are given.
Evaluation of social responsibility and business ethics based on SEDEX-SMETA standard 4.	DOMESCO always complies with the requirements of the law and the standard base SEDEX-SMETA 4.	Recommendations for improvement are always recorded and given solutions for improvement in the coming time.

EHS' S RESPONSIBILITY

DOMESCO's quality management system:

- Develop the department's action plan based on the Company's strategy.
- Acting as the focal point for building and managing the entire integrated quality system of the Company aligning with the State and International regulations; monitoring the system's operation, and proposing remedial measures, prevention, and improvement.
- Coordinating with responsible departments for establishing, documenting, applying the integrated system, and planning implementation.

Fire and explosion prevention - flood and storm prevention:

- Manage and check quality documents and records – Fire protection, ensuring the confidentiality of documents; monitoring activities related to compliance in the integrated management system.

- Develop internal regulations on occupational safety, fire and explosion prevention, and flood and storm control for the whole of DOMESCO.
- Carrying out fire prevention and fighting, flood and storm control, and natural disasters for the whole of DOMESCO.

Occupational safety and health:

- Coordinate with relevant departments in the company to implement safety at work.
- Manage and monitor the registration and inspection of machines, equipment, supplies, and substances with strict requirements on occupational safety and health.
- Measure the grounding resistance of electrical equipment and lightning protection systems.
- Safety training on topics slips falls; labor research; Covid-19 Safety Team.
- Establish an annual occupational safety and health plan, monitor the implementation of the plan, assess risks and develop a timely response plan.
- Organize testing and training on occupational safety and health, propagate and disseminate regulations on occupational safety and health to employees.
- Periodic inspection of occupational safety and health in production plants and places with heavy, hazardous, and dangerous jobs.

Environmental protection project:

- Implement environmental management.
- Operating the waste treatment system.
- Periodically treat termites and insects.

Occupational health and wellness:

- Take care of the health of employees in the company.
- Implement general communication contents of the EHS bulletin, focusing on assessing disease/health trends to give warnings to Officers - Workers.
- Organize periodical health checks and full occupational disease according to regulations.
- Carry out recruitment health checks according to the Company's regulations.
- Provide harmful allowances to officers - and workers according to regulations.
- Implement first aid training according to the protocol for the Departments participating in the First Aid Team at the Company. Execute and maintain the implementation of disease prevention activities throughout the Company.

Prevention of the Covid-19 epidemic:

Facing the extremely complicated situation of the Covid-19 epidemic, epidemic prevention is the top priority of the Company. The EHS Department has promptly executed some solutions to prevent and control the epidemic such as body temperature measurement, medical declaration, hand sanitizer, etc. for employees, contractors, and guests who come to work before entering the public area. the company, arrange alcohol 70 in all timekeepers, photocopiers, in front of toilets and equip with 0.5-liter spray bottles for all parts.

Implement notices on workplace hygiene and disinfecting spray at the weekend as well as posting warning boards instructing propaganda on wearing masks and measures to prevent the Covid-19 epidemic. In addition, DOMESCO has implemented a few measures such as:

- Arrange space, use partitions in the cafeteria; divide mealtimes shift by shift and department by department, factories to avoid crowded gatherings and avoid department meetings.
- Establishing a Steering Committee for Covid-19 Prevention and Control and a Covid-19 Safety Team.
- Commitment to comply with Covid-19 epidemic prevention and control of the Department of Industry and Trade of Dong Thap province.
- Self-assessment of risk according to decision 2194/QD-BCDQG dated May 27, 2020, sent to the Department of Health and the Department of Labor, War Invalids, and Social Affairs.
- Updating the Covid-19 Safety map every 2 weeks.
- Develop a plan for epidemic prevention and control under the guidance of the National Steering Committee when there is a case of Covid-19.
- Developing a plan and organizing the vaccination against Covid-19 for employees: in Dong Thap: the 3rd injection reached 88.6%; the second injection reached 11.2%; 1st injection: 0.1% and not yet: 0.1% (because the female is on maternity leave).
- Regularly remind all employees to comply with 5K and Covid-19 epidemic prevention regulations. Compulsory medical declaration for all employees before entering the Company area according to the link of Dong Thap Department of Health <https://kbyt.ytedongthap.vn>; PC-Covid application.
- Make a list of medical staff participating in the training on taking samples for Covid-19 testing according to Official Letter No. 1268/SCT-QLCN dated June 29, 2021, of Dong Thap Department of Industry and Trade.
- Timely update and share the latest information about the disease through Covid-19 safety groups, notified via internal mail, EHS bulletins posted on notice boards located in nearby entrance areas.
- Register with the Department of Transport about the vehicle transporting goods outside the province.
- Develop a plan and implement the option "3 on-site", "4 on-site", "1 route, 2 destinations", "The new normal".
- Develop a plan and perform periodic rapid tests for employees before starting work.

LABOR SAFETY MONITORING

To direct and supervise the work of occupational safety and sanitation, the Company has established the Council of occupational safety and sanitation consisting of 09 members, in which, the Chairman of the Council is the General Director of the Company, the Vice Chairman of the Council is the President of the Trade Union, and the members are the Deputy Heads of Departments.

To support the safety control and health of our employees, we have built a safety team including the Safety - Health - Environment and Quality Department (EHS-quality), comprising 22 people, functions of environmental management, occupational health safety, occupational safety and health, fire prevention, flood, and storm prevention; Build the integrated quality management system and the main pharmaceutical work of the Company.

EHS-Quality Department regularly makes reports on occupational safety, fire prevention, environmental safety, occupational health, and safety and publishes them in the internal newsletter of the Company. Annually coordinate with the Training Department to offer classes on occupational safety and fire prevention for employees. The working environment is monitored and guaranteed a safe working environment for employees.

The Company has a Health Department to take care of the employees' health, and every year, employees receive periodic health checks and occupational diseases according to regulations. Especially for employees working in areas at high risk of occupational diseases, the employer will review and approve funding for employees to have regular medical check-ups annually. Particularly, the employees working in extremely heavy and dangerous industries have a general health check-up and occupational disease examination biannually. In necessary cases, a special inspection or other necessary measures can be taken following the law. The health team is responsible for the Company's Covid-19 prevention and control campaign. They develop a plan to prevent and control the Covid-19 epidemic and perform rapid testing of SARS-CoV-2 antigens for employees of the Company.

Result:

No	Key target reported	Unit	ACT 2019	ACT 2020	ACT 2021
1	Occupational accidents				
	Total number of occupational accidents	Case	None	None	None
	Total number of people suffering from occupational accidents	Person	None	None	None
	Number of days the employee is laid off due to an occupational accident	Day	None	None	None
	Total number of deaths caused by occupational accidents	Case	None	None	None
2	Occupational disease				
	Total number of people with occupational diseases in the year	Person	None	None	None
	The total number of people suffering from occupational diseases is cumulative at the time of reporting	Person	None	None	None

No	Key target reported	Unit	ACT 2019	ACT 2020	ACT 2021
3	Results of employee health classification	People	1,664	1,619	1,274
	Type I	%	9.3	12.4	12
	Type II	%	52.1	51.3	51.7
	Type III	%	30.5	29.1	30.1
	Type IV	%	8.0	7.0	6.0
	Type V*	%	0.1	0.2	0.2

(* Health check-up type V is mainly due to the employees suffering from dental issues and near-sightedness.

No	ITEM	ACT 2019	ACT 2020	ACT 2021	NOTE
1	Occupational medical examination	592	525	738	Time
2	Health check for employees who work hard, in a hazardous, and dangerous conditions	592	525	738	Time
3	Periodic health examination	1,682	1,619	1,274	Time
4	Specialized health examination for women	798	767	368	Time

SAFETY AND HEALTH TOPICS TO BE SET UP IN THE COLLECTIVE LABOR AGREEMENT WITH THE TRADE UNION

In the collective labor agreement, all related contents of safety and health are mentioned such as Employees are equipped with working tools, professional equipment, and protective uniforms following regulations of Law and Company Regulations. 5 articles/ 23 articles are mentioned in the collective labor agreement there are about Occupational health and safety.

Every year, in the Employee Conference, the Company organizes to sign a commitment between the employer and the Union, and the Employee commits to strictly follow the production process, especially the safety procedures. safety and hygiene in the Company.

ACCIDENT PREVENTION MEASURES

Procedures to prevent occupational accidents and occupational diseases in 2021:

With the motto "Health is the most precious capital", DOMESCO is always aware that creating a friendly and safe working environment for employees to work with ease in mind, has a great impact on the maintenance, the sustainable development of the Company. As a result, we identify the employees as the center of the construction of a "Safety culture at work" with the following targets:

- Education focused and raising awareness is the responsibility of the employer and the employee in occupational safety and health (OSH).
- Strengthen the improvement of working conditions to prevent occupational accidents and occupational diseases for workers.

Attaching importance to promoting OSH in all 3 activities:

- Comply with the regulations of the law.
- Scientific and technical measures.
- Motivate employees to participate actively.

Promoting the cultural identity of the Company, with the sense of a community, unity, friendship, and compassion of employees based on the principle of ensuring a culture of safety - hygiene, which is the respect for human rights, the safety of the lives and health and well-being of workers.

Preventive solutions based on the pre-employment risk assessment are key principles in the prevention of occupational accidents and diseases. Therefore, the Company has had no occupational accidents, no occupational diseases, no fire, and explosion, as well as no violation of environmental laws in the past years.

DOMESCO has developed and implemented the following plan:

STEPS OF RISK ASSESSMENT AT WORKS



1. Danger identification.
2. Evaluate your current circumstance.
3. Important acts to be performed.
4. Execute solution.
5. Confirm it is safe to do the job.

TECHNICAL MEASURES

In the design, installation of machinery and equipment or construction, DOMESCO always assesses all the risk impact on the employees and eliminates to prevent the risk of occupational accidents, and occupational diseases for employees such as:

- Install covers and signs for dangerous areas.
- Install air conditioning and ventilation systems for the working area.
- Central vacuuming system.
- Isolate high noise generating areas.
- Install lights suitable for each job.
- Arrange a working room with sufficient space for each machine and equipment.
- Periodically inspect equipment with strict requirements on occupational safety.
- Carry out periodic testing of grounding resistance of equipment and lightning protection system.
- Implement a program to prevent and prevent slips and falls to reduce the risk of accidents for employees.

- Taking care of workers' health, preventing occupational diseases.
- All newcomers are required to take a medical examination before assignment.
- Carry out periodical health checks for employees once/year for office staff; and twice a year for employees doing heavy, hazardous, and dangerous jobs; including examination and detection of occupational diseases.
- Implement the allowance for employees following the State's regulations.
- Establishing a Health Team under the EHS Department to better take care of employees' health. Arranging staff on duty 24/24 at factories.
- Yearly, employees who bear harmful effects will receive a gift such as milk, cereals, and candy.
- Carrying out Covid-19 epidemic prevention and control: periodic quick tests, monitoring, and surveillance of causes related to case F, etc.

PERSONAL PROTECTION EQUIPMENT

To protect workers from the impact of dangerous and toxic factors occurring in the working process but administrative measures, technical measures and practical measures at the workplace are not efficient. In addition, DOMESCO Company always provides a full package of personal protective equipment for employees including head, eyes, face, hearing, respiratory tract, hands, feet, body, equipment of preventing high falls, Anti-electric shock, electromagnetic field, anti-drowning, and all kinds of protective equipment.

All employees are equipped with appropriate personal protective equipment (PPE) at each job position and are instructed in the correct use, limits of SPD, and how to store and dispose of it.

The personal protective equipment provided to employees is of high quality according to Vietnam/ CE/ ANSI standards.

Employees always strictly comply with the industrial safety standards.

Every month, EHS Department re-checks the use and preservation of SPE by employees. The distribution is monitored and updated following the guidance of Circular 04/2014/TT-BLDTBXH.

Guidelines for using industrial protection for workers in factories.

Practice responding to chemical spills, chemical leaks, etc. at-risk circumstances.



Periodically coordinate with departments to practice firefighting and rescue plans.

At each department, there are instructions for escape in case of incidents, signs on fire prevention, and fighting. Organize escape drills for employees.

COVID-19 PREVENTION

- All employees strictly follow the 5K principle of the Ministry of Health.
- Hanging instructions posters on how to wear a mask to prevent Corona Virus, how to wash hands with soap as recommended by the Ministry of Health at the Company's Office and branches.
- Hanging Posters: The importance of wearing a mask, according to the guidance of the Ministry of Health.

ADMINISTRATIVE SOLUTIONS



- The decision to establish a Steering Committee for the prevention and control of Covid-19 at the workplace, which specifically assigns responsibilities to each member of the team. Establishing the Covid-19 Safety Team and promulgating the operation regulations of the Covid-19 Safety Team.
- Developing and promulgating internal processes: Covid-19 disease response process; The process of guiding communication during the Covid-19 epidemic season; Health care process during the Covid-19 pandemic; Disinfection and sterilization process at the workplace; Infrared thermometer user manual.
- Develop a plan for the prevention and control of the Covid-19 epidemic and production plans in each phase: "3 on-site"; "4 on-site"; "1 route 2 destinations"; safe, flexible production.
- Notice - Deploy and remind all employees to make medical declarations and prevent the Covid epidemic. All guests from outside the province, and employees from outside the province who come to DOMESCO headquarters must make a medical declaration on the software <https://kbyt.ytedongthap.vn> and the PC-COVID application.
- Equip antibacterial cloth masks for all employees of the company and it is mandatory to wear masks properly both during working at DOMESCO and outside.
- Measure the body temperature of all employees in the Company's office area at least 2 times a day, disinfect hands with alcohol 70⁰ before working. In case of suspected fever or unwellness, employees are advised to stay at home.
- Regularly updated news, promptly recommend medical declaration, self-isolate for cases returning from epidemic areas, share information on implementing monitoring of people returning from epidemic areas Covid-19 in the country to Dong Thap province.

- Cases of leave or change of jobs or newcomers from epidemic areas are also considered to self-quarantine for 14 days before coming to the company.
- General cleaning, disinfecting, and disinfecting working rooms, spraying outside and toilet areas with chloramine B solution mixed as recommended by the Ministry of Health.
- implement employees to distance themselves when eating between shifts, to limit inter-departmental contact.
- Arrange the dining table about 1-1.5 m away, with partitions to avoid contact and communication between people.

REGULATIONS DURING THE TIME OF THE DISEASES

- Departments with personnel-related to factory production activities (QA controller, M&E maintenance) follow the following options: "3 on-site"; "4 on-site"; "1 road 2 destinations" ...
- The factory is disinfected with formaldehyde every weekend to ensure a clean environment for the next working week. Particularly, the parts that do not apply formaldehyde sterilization will maintain room and workplace cleaning with Chloramine every weekend.
- Employees working between departments (Administration, full-time employees) are equipped with anti-droplet glasses to ensure no infection.
- Carrying out meals between the different departments and factories with administrative staff.



GRI 404 - EDUCATION AND TRAINING

During the year, the Company has offered 78 training courses with 7,020 participants. The training courses mainly meet the needs of company management, good production practices and improving skills for employees. In addition, the company conducts annual training courses on occupational safety and first aid to ensure safety for employees in the production and business process. Total training expenditures in 2021 were 2.5 billion VND with the number of trained staff up to 3,847 times, the number of trained managers: 451 participants, and average training hours: 300.5 hours.

Training		2021	
		Male	Female
Manager level	Senior	3	0
	Intermediate	18	16,5
Executive level	Administration	25	19
	Production	31	29
	Engineering	36	18

To consolidate & review knowledge to help employees improve quality in the working process, the Training Department coordinates with relevant departments to test employees' knowledge through online forms. Perform weekly online checks for sale staffs, warehouses staffs, operations, cashier delivery, and quarterly for the remaining positions. During the year, 187 online checks were conducted with 16,604 employees participating.

GRI 413 - LOCAL COMMUNITY**COMMUNITY SOCIAL ACTIVITIES 2021**

- Actively participate in charity social activities, sharing with the community through activities.
- Implement the campaign to support the Central region in natural disasters overcoming in 2021. DOMESCO encouraged workers and employees to contribute to the province's "Natural Disaster Prevention" Fund, "Covid-19 vaccination" Fund, Nguyen Sinh Sac Promoting Education Fund...
- In addition, DOMESCO has supported the Dong Thap Provincial Labor Confederation with 4,000 medical masks for the Program "Accompanying border women", 2,000 cloth masks for local workers, and 1,000 kg of rice for Cao Lanh inhabitants to overcome difficulties during the Covid epidemic season. Sponsoring for cultural and sports activities in the province is nearly 1.6 billion VND.

SOCIAL PROTECTION FOR EMPLOYEES

Execution of Social protection activities for employees:

- Implement the Lunar New Year bonus regime for employees. Giving Tet gifts to employees with each gift including rice, cake, candy, and sausage, the gift value is 759,000 VND/ serving.
- Paying bonuses to employees on the company's birthday on May 19 every year. Periodical health check-ups for 1,046 people (in which, the industrial sector examines twice a year), gynecological examination for employee women and provide an occupational medical examination for employees working in environments exposed to hazardous factors.
- Fully equipped with tools, working facilities, workwear, professional equipment, and uniforms suitable for each subject's work; equipped with raincoats, ¾ head helmets for sales staff.
- Timely visit and give gifts to employees when sick, filial piety for 584 turns of people.
- Support for female employees when giving birth following the law, female employees who work directly in production on menstrual days are entitled to an additional salary according to Points a, c, Clause 3, Article 80 of Decree 145/2020/ ND-CP. Paying and rewarding for women on March 8, October 20.
- When celebrating Vietnamese Doctors' Day on 27/2, the Company has paid bonuses to all employees.
- To prevent the Covid 19 epidemic, the Company provides 5,600 masks for employees, 5 bottles of 90⁰ alcohol & 5 bottles of hydrogen peroxide/ 1 employee. Timely attention and support for employees in difficult circumstances due to illness and the Covid-19 epidemic. At the same time, support money for meals for employees carrying out "3 - 4 on-site" production activities.

Taking care of the employee's children:

- Giving gifts to employees' children on International Children (1/6) and the Mid-Autumn Festival.
- Awarding and giving gifts to students who had excellent academic achievements and enrolled in university.
- Support learning costs and online learning equipment for students who are working with people with difficult circumstances.

GRI 416 - CUSTOMER HEALTH SAFETY

Always put us in the shoes of customers and consumers to evaluate products objectively in all aspects, DOMESCO is well-known as a prestigious and humane brand in providing customers with products and quality service.

With the policy of "High quality - High efficiency is the vital goal of DOMESCO", all staff is determined to continuously improve management, technical improvement, and diversification in products to improve product quality, and at the same time assist the Company to assert the quality of products in the pharmaceutical sector by complying with the GMP-WHO standards, which is a basis for building production systems of modern medicine, an independent, strict

and effective quality control system, equipped with many modern equipment and facilities, the staff is trained in the integration of GMP-WHO/ ISO/ TQM.

In addition, the establishment of many QCC quality groups to quickly solve quality problems and potential risks has also laid the foundation for the successful maintenance and implementation of "Good Manufacturing Practice." As recommended by the World Health Organization - WHO. With that development momentum, the Company has moved to build a modern and modern quality inspection room meeting GLP and ISO/ IEC 17025, providing timely and accurate information on quality. At the same time, at the company's warehouse, a system of "Good Medicine Preservation Practices" has also been built, certified, and maintained.

With a contingent of young, dynamic, and creative workers and workers with the increasingly sustainable development of the quality system, every year, the team of workers and workers gives a lot of innovations and improvements to optimize. working process, minimizing waste costs, thereby contributing to improving quality, reducing product costs, satisfy customers of DOMESCO. Those are important factors for DOMESCO to steadily move forward, and affirm its position in the human health care mission. Products on the market must undergo strict quality inspection and control in the stage of "Quality Assurance".

INDICATORS MEASURING RESPONSIBILITY TO PRODUCT

No.	Indicators	Contents
1	Strict standard in raw materials input	<p>With modern facilities, professional staff, always complying with quality regulations and strict procedures, complying with the principle of GMP in drug production, DOMESCO confirms the source of input materials for an individually high-quality product.</p> <p>Annually, DOMESCO evaluates and selects suitable suppliers/manufacturers, satisfying the requirements of supplying raw materials, packaging for production, based on research and evaluation of domestic and foreign materials and accessories sources as following criteria:</p> <p>Raw materials must be of clear origin, and ensure announced quality standards.</p> <p>Full of quality documents such as Raw material factory with GMP standard. (Material standards, if they are pharmaceutical standards, must update the current pharmacopeia); The archive must meet GSP standards; The testing laboratory meets GLP standards; host country environmental compliance certificates.</p> <p>Ability to supply goods.</p> <p>Implementation of supplier/manufacturer social responsibility (if any).</p> <p>Vendor selection and evaluation are conducted strictly and following SOP CL - Supplier Assessment Process - Raw Material Manufacturer.</p> <p>Raw materials arrived at the warehouse of the Company are sampled, checked, and tested according to the prescribed quality standards to ensure that raw materials are qualified to be stored. Having a good source of raw materials, the Company's functions still strictly control the next stages in the material chain.</p>
2	Strict output control	<p>At each stage of the production process, quality assurance continues to be strictly controlled by humans and existing machinery.</p>

		<p>During the production process, the staff in charge must take samples regularly to check the volume and make timely adjustments. All stages are controlled by the semi-finished product's process to ensure that the output standards of this stage are met before moving to the next stage.</p> <p>Following the production steps on the actual production line, the finished products will continue to be sampled for testing as prescribed by the Quality Control Department. This step requires that 100% of the batches meet the standard quality. At the same time, products must go through the review and approval of the Quality Assurance Department, before being stocked before distribution.</p> <p>During the production process, according to DOMESCO's control system, if the smallest error is detected, it must immediately notify the direct management to promptly handle, review and re-inspect all stages. of the production process such as raw materials, pestle, mortar, net, pelletizing process, ... to find the root cause and take measures to overcome and prevent thoroughly. After the review results are available, if the product meets all the standards following regulations on GMP - WHO, GLP, GSP, GDP, GPP, ISO/ IEC 17025, ... then it will be released to the factory and put on the market.</p> <p>At DOMESCO, the strict control of product quality reaching 100% as prescribed, as well as creating quality products to meet the tastes of consumers is not only the top criterion but also enforcing the commitment of DOMESCO with the motto "For Quality of Life".</p>
3	Information on product packaging	<p>To provide the most complete information about products to consumers, DOMESCO is always focused on designing clear and specific packaging for all products including contents such as composition, utility, ways of use, objects of use, storage conditions, ... From there, customers can easily understand and use the product in the right way to achieve the best effect. At the same time, we always encourage patients to consult their doctors before using drugs and warn patients of some possible risks such as undesirable side effects, caution, contraindications, how to treat the wrong dose,...</p> <p>In addition, every year we always try to improve the packaging by changing the detailed design and easy to understand, updating more English content in parallel with Vietnamese, ...</p> <p>Information about the product is also updated on the website system of the company with full information for customers to easily search and refer to.</p>
4	Check for physical and chemical properties	<p>All batches of products are checked for their physical and chemical properties to ensure that products meet quality requirements before reaching consumers.</p> <p>Staff is trained and instructed about medicine transportation and storage to best preserve the product during transportation from the warehouse to the product distributor.</p>
5	Environmental safety checking	<p>Samples of environmental criteria are sent by the company annually.</p>
6	Pharmaceutical safety properties checking	<p>The pharmaceutical safety properties are reviewed and re-evaluated annually.</p>

	<p>The company also collects information about the Pharmaceutical Alert every year, as well as updates information on pharmaceutical safety from national agencies and international organizations.</p> <p>Researching and developing testing methods for NDMA and NDEA according to the recommendation of the Drug Administration of Vietnam</p>
7	<p>Bioequivalence testing</p> <p>To demonstrate the effectiveness of treatment equivalent to the original brand-name drug, to ensure the safe and effective use of the drug, the Company conducted a bioequivalence test at the Central Institute of Drug Quality Control in Hanoi and the Institute of Drug Testing Ho Chi Minh city. Certified bioequivalence products contribute to improving treatment efficiency, as well as expressing DOMESCO's desire to provide customers with more opportunities to access good drugs at the most affordable cost.</p>
8	<p>Customer Inquiries - complaints handling</p> <p>When there are complaints about products, staff updates information about the Branch Management and Customer Care department, problems will be recorded and transferred to relevant departments such as Quality, delivery for Quality Assurance dept; regarding the price policy, discount, transfer to the Accounting Department, ... After that, the relevant departments will investigate the cause, re-examine the entire production process, check the finished product samples and define the reason. In the event of any dispute about the quality, the test sample will be sent to a third party to confirm the analysis result (Drug Quality Control Institute HCMC). After receiving the above results, the Company will determine the cause and proceed to resolve it as follows:</p> <ul style="list-style-type: none"> • If the cause is not the fault of the Company: Support the customer to investigate the cause. • If the cause is the fault of the Company: Recommend product recall, and check other batches with a similar condition. <p>Complaints will be responded to by customers no later than 7 working days. For complicated cases that require a lot of time to investigate the cause, the relevant departments or the Branch will call the customer and notify the customer as soon as the results are available. Monthly/ quarterly/year, customer opinion/ complaint records will be updated, collected, and promptly reported to management to take corrective action and avoid repetition.</p> <p>When you have any questions related to product quality, promotional information, or need advice on product manuals, customers can easily access and quickly be answered through:</p> <p>CUSTOMER CARE HOTLINE: Phone: (1800.969.660) Email: domesco@domesco.com</p>

5.2.2 ECONOMIC FOCUS

GRI 201 - ECONOMIC PERFORMANCE

DOMESCO believes that the economic performance of a business has a direct impact not only on business continuity but also on employees' living standards. DOMESCO empowers employees from local communities so that they can improve their family's economic well-being. In addition, economic efficiency becomes important to potential investors as it shows how DOMESCO grows in terms of revenue and profitability, thus creating confidence for potential investors if they want to invest in us.

Enterprises always focus on monitoring these indicators to promptly grasp the business performance of the business and make appropriate business plans.

GRI 202 - MARKET PRESENCE

DOMESCO is also aware of its strong effects on the local economy, especially those where we base our business, through salaries paid to our employees and hiring from that local source. Paying the prescribed / higher salary than the regional minimum wage helps improve people's lives, and social security creates income equality between males and females and helps create building a sustainable and competitive business in the market. In addition, the recruitment of local managers also contributes to building a corporate image associated with the locality, creating resources to promote human resources, and helping businesses to adapt to local requirements.

GRI 204 - PROCUREMENT PRACTICES

DOMESCO has a policy of choosing suppliers and supplying raw materials, especially from domestic suppliers.

With a large scale and well-known brand in the market, DOMESCO can easily find and negotiate with domestic and foreign suppliers.

We manage our procurement through the Process of Procurement of Goods, Services, Construction, and Asset Procurement Process to maintain regular operations of the company.

Policy	Process of purchasing goods, services, construction, installation, and the asset procurement process to maintain the company's regular operation.
Commitment	Reasonable and effective procurement of goods, services, and construction to ensure the company's regular operation.
Targets/KPIs	Regulations on the procurement of goods, services, construction, and installation are to maintain regular operations at DOMESCO including making proposals, approving proposals, purchasing, and paying for the entire company system, departments, which is the basis for coordination in the procurement process, improving work efficiency and progress in units. All procurement activities must be reasonable, efficient, reviewed by authorized personnel, and in compliance with applicable laws.
Responsibility	All departments and divisions have procurement needs.

Resources	Legal department - internal Audit, Procurement, Investment Finance, Sales, Raw materials procurement are the related departments to carry out the procurement.
The mechanism for receiving and resolving complaints	Follow the company's standard procedure.
Specific programs, actions, projects, and initiatives during the year	According to the approved annual plan.

Overall assessment of management methods for corporate procurement practices in 2021

Evaluation mechanism	Result	Adjust or suggested adjustment
According to the assessment and internal control of the Department of legal and Internal Audit	Good	None

5.2.3 ENVIRONMENT FOCUS

GRI 302 - ENERGY

Energy consumption	Unit	2019	2020	2021
Electricity consumption	kWh/year	5,390,000	4,501,500	4,307,100
FO oil consumption	liter/ year	13,147	6,382	10,827
Intensity of use	kWh/Million unit	3,629	4,033	4,074

Target:

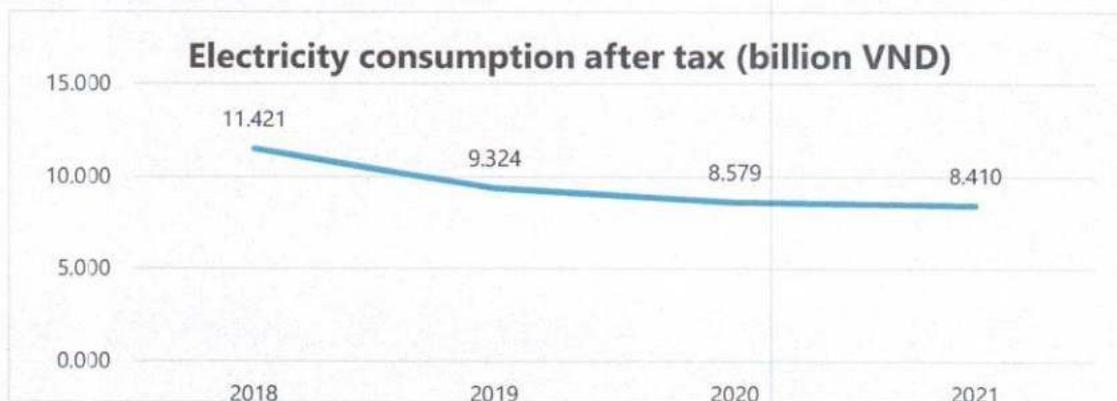
Reduce energy consumption and reduce energy demand, use energy efficiently, towards sustainable development.

Table: Electricity consumption year over year

Items	Unit	2019	2020	2021
Electricity consumption after tax	VND/year	9,323,930,491	8,579,098,715	8,410,308,665

Picture: Chart of electricity consumption year over year

Some typical programs to save electricity:



- Install smart sensor lights in locations such as toilets, stairwells ...
- Install inverters for equipment and machinery that consume a lot of power such as HVAC systems for factories and air blowers of wastewater treatment systems, etc.
- Upgrading Chiller system.
- Streamline equipment operation time to gain from the power price difference.
- Regularly reminding about saving electricity and water to all employees, regulations on power on and off time and temperature of air conditioners in parts are also specified in SOP CĐ/ QD "Using electricity", timely reporting to management level on the consumption situation to the management level weekly through meetings and monitoring report according to SOP AT/ QD "Measurement, analysis, and evaluation".

We have a department and specialist in charge of energy issues for the whole Company, a department that regularly checks and evaluates to offer muscle tension solutions to reduce energy consumption.

ENERGY-SAVING SOLUTION



Propaganda announcement responds to the program to reduce costs by raising the set temperature for office air conditioners.

Increasing the temperature of office air conditioners from 25°C to 27°C.

→ The effect of it for ~ 80 2HP office air conditioners at the headquarters and Can Lo Industrial Complex/1 year was: ~ 10,000 kWh - 18.5 million VND/ year saving (3.6% cost).

Effective for saving 30 minutes/ day at the end of each working session/ 1 year was: ~ 18,500 kWh \$ 40 million/ year.

Shifting the load schedule from normal to off-peak hours to gain from the difference in electricity prices → save electricity costs for the medicine storage system at Can Lo warehouse.

→ Effectiveness calculated according to the structure of 50% business electricity price and 50% electricity production price ~ 82,000 kWh, saving VND 330 million/ year.

ENERGY-SAVING SOLUTION

Install a new control inverter for AHU's blower motor to control the fan speed down to the highest level of AHU's dehumidification efficiency (operating at about 70% of rated speed)

→ The benefits are as below:



+ Saving energy consumption for fan motor up to 30%.

+ Optimize the dehumidification efficiency of AHU to reduce wind speed through the indoor unit.

The efficiency when installing inverters for fans of AHU/ year was: 7,913 kWh with 11.3 million VND/ year.

GRI 303 - WATER

Water is an extremely valuable resource, but not inexhaustible, is a very important factor in human life, and an essential factor in the production and operation of any business.

At DOMESCO, to ensure sustainable development and always maintain continuous production - business activities, DOMESCO determines that the management of water resources is assured in terms of quality and quantity, to meet the needs of production. Like the employees' activities are a prerequisite.

We understand that water plays a very important role in the production and business activities of the enterprise. The efficient use of water will help DOMESCO achieve many sustainable development benefits:

Economic benefits	Environmental benefits
<ul style="list-style-type: none"> - Saving water contributes to reducing costs. - Reducing waste discharge fees, and wastewater disposal fees in treatment areas of enterprises or industrial zones, reducing costs of wastewater treatment. - Saving water offers opportunities for improvement in other areas. For example, reducing the demand for water means saving electricity during pumping, reducing chemicals used for water treatment (lime, alum, etc.). - Reduce investment costs for wastewater treatment systems. - Saving water will reduce the amount of wastewater, which in turn can reduce the risk of environmental pollution. 	<ul style="list-style-type: none"> - Less damage to the wastewater system due to overloading causes. - Reduce the need to build dams and reservoirs, protect natural flows, protect river systems and wildlife habitats. - Reduce the need to install water and wastewater treatment equipment - Reduce excessive use of surface water and groundwater. - Reducing the need for energy during wastewater treatment.

Water sources in DOMESCO use the tap water source of Dong Thap Water Supply and Urban Environment Joint Stock Company (used for sanitation, and outdoor activities) and groundwater source (processed into deionized water and pure RO for production). However,

according to the policy of the Provincial People's Committee, DOMESCO has stopped using underground water since July 1, 2020, and has completely converted to using tap water.

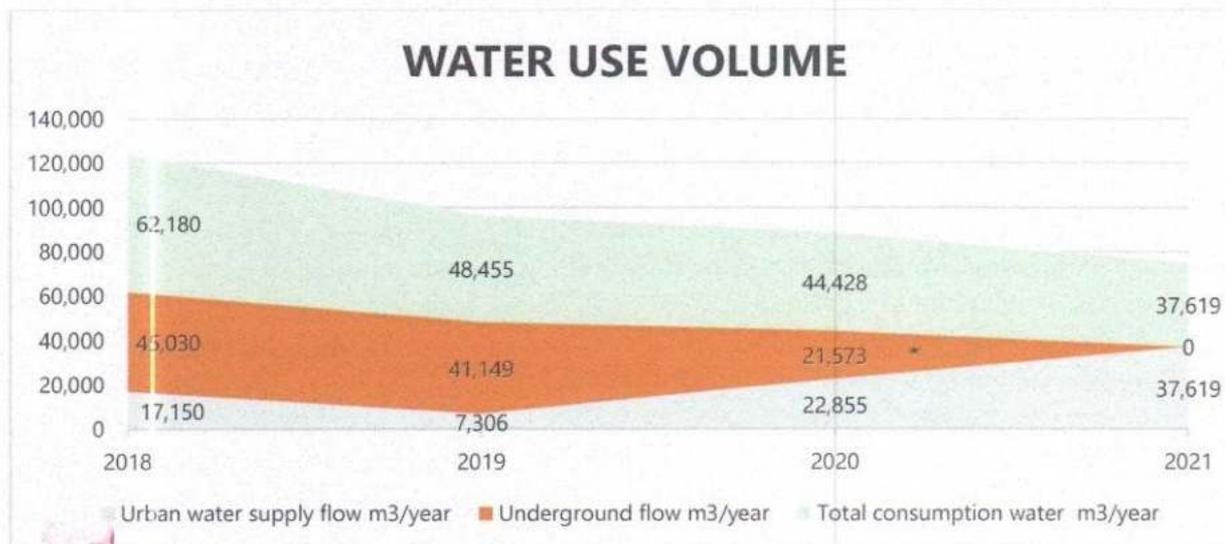
Management method

The quality of input and output water is strictly inspected and controlled, ensuring compliance with GMP regulations and current Vietnam standards.

EHS Department is primarily responsible for water management and is responsible for testing, monitoring, and maintaining compliance in environmental protection activities at the Company.

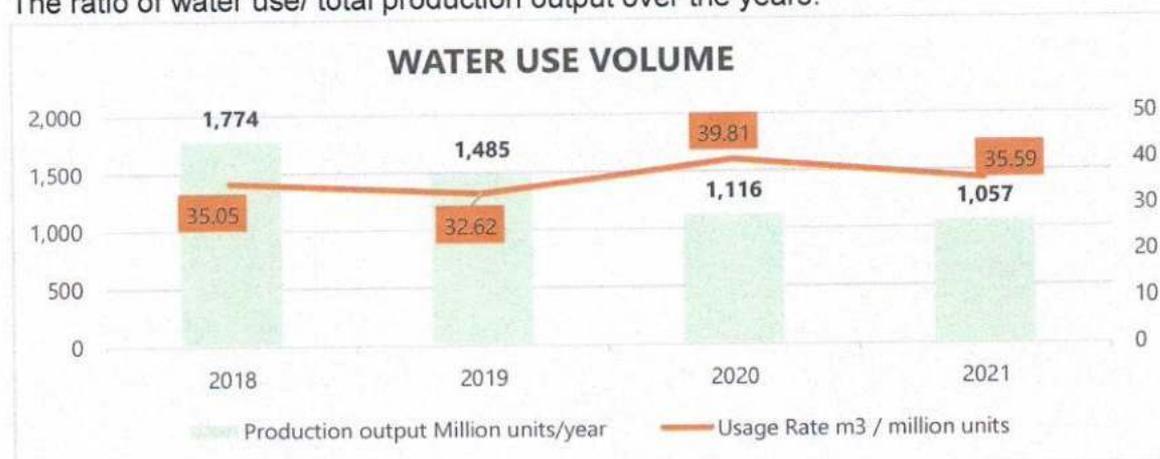
Making environmental reports, and monitoring reports on water quality after treatment following the law and the requirements of the authorities.

Items	Unit	2019	2020	2021
Urban water flow rate	m ³ /year	7,306	22,855	37,619
Underground water flow rate	m ³ / year	41,149	21,573	-
The total amount of water used	m ³ / year	48,455	44,428	37,619
Usage rate	m ³ / Million unit	32.62	39.81	35.59



We understand and manage well water usage, so the total amount of water used has decreased significantly over the years.

The ratio of water use/ total production output over the years:



Water utilization in 2021 is lower than in 2020, but it was higher than in previous years. In 2021, the situation of the Covid-19 epidemic is complicated in Vietnam, especially in the period from July to October. Maintain production and business activities with the option of "3 on-site". Therefore, the company must arrange for the workforce to work, eat and sleep in the company's production area, which leads to an increase in the amount of water used for daily life compared to normal activities. However, in general, the company has well-controlled the total amount of water used each year.

GRI 305 - EMISSIONS

During the process of operation and production, DOMESCO always complies with the environmental regulations according to ISO 14001:2015.

Measures to prevent pollution and protect the environment are actively implemented by DOMESCO based on compliance with applicable legal documents, and Abbott's EHS standard, which are applied in operations, in conjunction with the guidance of a local professional management agency.

In addition to the strict management of the wastewater treatment, the strict control of the emission source is also placed on top by DOMESCO. Every week, every month, the specialized management department will report the situation through briefing meetings and reports on occupational health safety measurement and monitoring following the Company's regulations.

DOMESCO's greenhouse gas emissions are mainly using electricity, oil, and gasoline for transportation. Emissions from production plants and ambient air are also regularly monitored and measured.

The energy source	Unit	2019	2020	2021
Electricity	Ton CO ₂	4,393	3,893	3,643
Gasoline	Ton CO ₂	20.80	11.14	7.26
DO oil	Ton CO ₂	195.92	190.70	198.08

The exhaust gas from the plants containing beta-lactam traces, the exhaust gas from the

testing area at the headquarters, and the exhaust gas from the boiler in Can Lo Industrial Complex are thoroughly treated before being discharged into the outside environment.

To do that well, DOMESCO contracts with the Center for Natural Resources and Environment Monitoring under the Department of Natural Resources and Environment of Dong Thap province to take samples for periodic analysis every quarter to promptly adjust the operating parameters of the works. Environmental protection is more appropriate. The analytical results showed that 100% of the indicators were below the allowable threshold.

Management method

- Comply with environmental regulations following current legal documents, ISO 14001:2015, and applying Abbott's EHS standards in operations, combined with the guidance of local management.
- EHS Department is mainly responsible for emission management and is responsible for checking, monitoring, and maintaining compliance in environmental protection activities at the Company.
- Make environmental reports, emission monitoring reports, and surrounding air following legal regulations and requirements of authorities.

EMISSION MONITORING RESULTS THROUGH THE YEARS

No	Indicator	Unit	QCVN 26:2010/BTNMT & QCVN 05:2013/BTNMT		Sample date			Evaluate
			01/11/18	08/11/19	13/11/20	25/11/21		
1	Flying dust	mg/m ³	0,3	0,08	0,11	0,219	0,1734	Qualified
2	Noise level	dB(A)	70	67,2	62,9	62	65,7	Qualified
3	CO	mg/m ³	30	3,65 (RDL=7,90)	4,16 (RDL=7,95)	3,219	4,109	Qualified
4	NO ₂	mg/m ³	0,2	0,021 (RDL=0,022)	0,046	0,0195	0,019	Qualified
5	SO ₂	mg/m ³	0,35	0,076	0,069	0,0193	0,019	Qualified
6	H ₂ S	mg/m ³	0,042	0,018 (RDL=0,030)	0,11 (RDL=0,028)	0,0189	0,0182	Qualified
7	NH ₃	mg/m ³	0,2	0,019 (RDL=0,046)	<0,015 (MDL=0,015)	0,0195	0,0206	Qualified

GRI 306 - WASTEWATER AND WASTE

Waste classification in DOMESCO

Wastes are classified into 03 categories: daily-life solid waste, industrial solid waste, and hazardous waste.

- Domestic solid waste: generated from daily activities of employees, Dong Thap Urban Water Supply and Environment Joint Stock Company - Branch of environmental services, to daily collection and transportation (burial).
- Ordinary industrial solid waste - Intellectual solid waste (classified into 3 groups) signed a contract with the transport and treatment function.
 - Group 1 industrial solid wastes are reused and recycled as raw materials for other production processes (scrap).
 - Group 2 industrial solid waste is used in construction materials production and leveling (burial, reuse).
 - Group 2 industrial solid waste is used in construction materials production and leveling (burial, reuse).
 - Group 3 industrial solid waste must be treated by burning, burying and re-constitutional methods of mining completed areas following regulations of law on minerals and other treatment methods following regulations of relevant specialized law.
- Hazardous waste: classified according to Circular 36/2015/ TT-BTNMT. This type of waste is collected and stored at the warehouse, for about 06 months periodically transferred to the contract with Siam City Cement (Vietnam) Co., Ltd. for transportation and treatment, the treatment method is co-processing in the Cement kiln at Hon Chong.

THE AMOUNT OF WASTE GENERATED ANNUALLY

Types of waste	Unit	2019	2020	2021
Hazardous waste	Kg	15,258	13,617.12	11,132.4
Non-hazardous waste	Kg	57,677	49,624	54,601.0



Hazardous waste from 2018 has been steadily decreasing over the years because the amount of sludge from wastewater treatment put into hazardous waste treatment has been studied by the Company to reduce the volume by utilizing the heat source from the heaters. Cold to dry

before transfer processing, very high yield efficiency reduction of about 80% by volume.

No	Type of wast	Form	Hazardous waste code	Weight (kg/year)			
				2018	2019	2020	2021
1.	Waste medicine powder	Solid	03 05 09	6.504,9	6.203,1	7.207,1	5.042,1
2.	Used activated carbon	Solid	03 05 07	1.212	1.150	1.050	804,0
3.	Infectious waste	Solid	13 01 01	1	0	2,6	47,8
4.	Used plastic granules	Solid	12 06 01	60 157,8	573,5 340	286	1.252,0
5.	Waste oil	Liquid	17 02 04	217,8	62	213,4	68,1
6.	Waste toner cartridge	Solid	08 02 04	34	68,6	22,4	36,8
7.	Adsorbent, filter media, rags, waste cloth	Solid	18 02 01	842,3	849,5	738,6	508,0
8.	Chemical waste	Liquid	19 05 02	533	673	483	440,5
9.	Hard packaging of other materials (composite...)	Solid	18 01 04	1.920	2.042	2.254,4	1.963,4
10.	Sludge from wastewater treatment process	Solid	03 05 08	8.634	2.454	711	474,0
11.	Plastic waste hard packaging	Solid	18 01 03	193,5	333,1	400,8	343,7
12.	Pin Ni-Cd	Solid	19 06 02	5,7	9	4,8	7,9
13.	Waste soft packaging	Solid	18 01 01	2	6	4,8	15,1
14.	Waste Fluorescent Bulbs	Solid	16 01 06	53,7	201,5	116,5	80,2
15.	Waste metal packaging	Solid	18 01 02	47	90	50,3	48,3
16.	Electronic components	Solid	16 01 13	0	0	13,5	0,5

GRI 307 - THE ENVIRONMENT COMPLIANCE

Compliance with environmental, economic, and social laws demonstrates a company's fundamental responsibility for its impacts. DOMESCO always ensures its compliance at the highest level. That helps us to assert our management capacity, limit our remedial obligations, and create strength for business records.

We manage our Law Compliance through an internal governance system using SOP, regulatory, regulatory reporting to authorities, and regular updates to the Board of Directors at weekly, monthly, quarterly, and yearly meetings.

An overview assessment of the management approach to environmental compliance activities of enterprises in 2021

Evaluation mechanism	Result	Adjust or suggested adjustment
Conducted periodic environmental protection reports yearly	Good	None

EHS Department is responsible for environmental management throughout the company. With its operational functions, the Department of Safety, Health, Environment, and Quality has always maintained well the post-reporting of environmental impact assessment during operation for all areas, ensuring all areas with environmental impacts strictly comply with the legal regulations on the environment; Maintaining compliance with legal requirements and other requirements on the environment - occupational health and safety following ISO 14001 - ISO 45001.

The company also provides a full range of equipment for environmental treatment. Problem-solving and response methods are regularly reviewed, updated, trained, and discussed to ensure the best handling and response in case of incidents.

The company performs internal environmental assessments upon schedule to adjust the time and safe production environment. Compliance with GMP-WHO regulations on insect spraying, termite prevention, and handling of β -lactam traces in the air; Emissions from the Cephalosporin and Penicillin servers in the two houses, organic solvent vapors from the refrigerator in the inspection area ... are all treated, ensuring no contamination in the environment.

The situation of handling pollution caused by production and business activities in 2021 will all achieve well according to the current regulations and standards of Vietnam. The use of electricity, water, and natural resources figures are all closely monitored.

The management of solid waste and hazardous waste is strictly implemented following the legal regulations, following the commitments approved in the environmental impact assessment report.

Regulations related to chemical management are strictly followed; formulating measures to prevent, respond and remedy environmental incidents caused by hazardous chemical emissions and toxic chemical incidents according to current regulations.

Strictly and fully implement reports on environmental protection as required by law. Create a good relationship with the surrounding population, mobilize people to join hands to protect the environment; maintain a periodic survey of surrounding residents' opinions on the environment

to promptly overcome and ensure no pollution of the surrounding environment.

To further promote environmental protection, the Department of EHS - Quality continues to implement the Green Office Program, Zero waste to landfill, accelerate the monitoring of garbage classification at all departments to reduce minimizing burial waste and hazardous waste disposal costs. In addition, maintaining the economical use of materials, water - energy - stationery, sharing EHS newsletters to all parts of the company to propagate and raise awareness of employees on environmental protection, labor safety...

In 2021, we do not detect any legal violations from the Environment perspective. We have been and will continue to do our best in controlling our compliance to building a responsible and reputable corporate image.

- Number of penalties: 0 Time.
- The amount of the fine: 0 VND.

PART 6: FINANCIAL STATEMENT

The audited financial statements for 2021 are made by Ernst & Young Vietnam Co., Ltd and have been published on the company website as linked below:

https://domesco.com/pdf/dmcaudited-financial-statement-in-2021-and-explanation_en_1648718836.pdf

