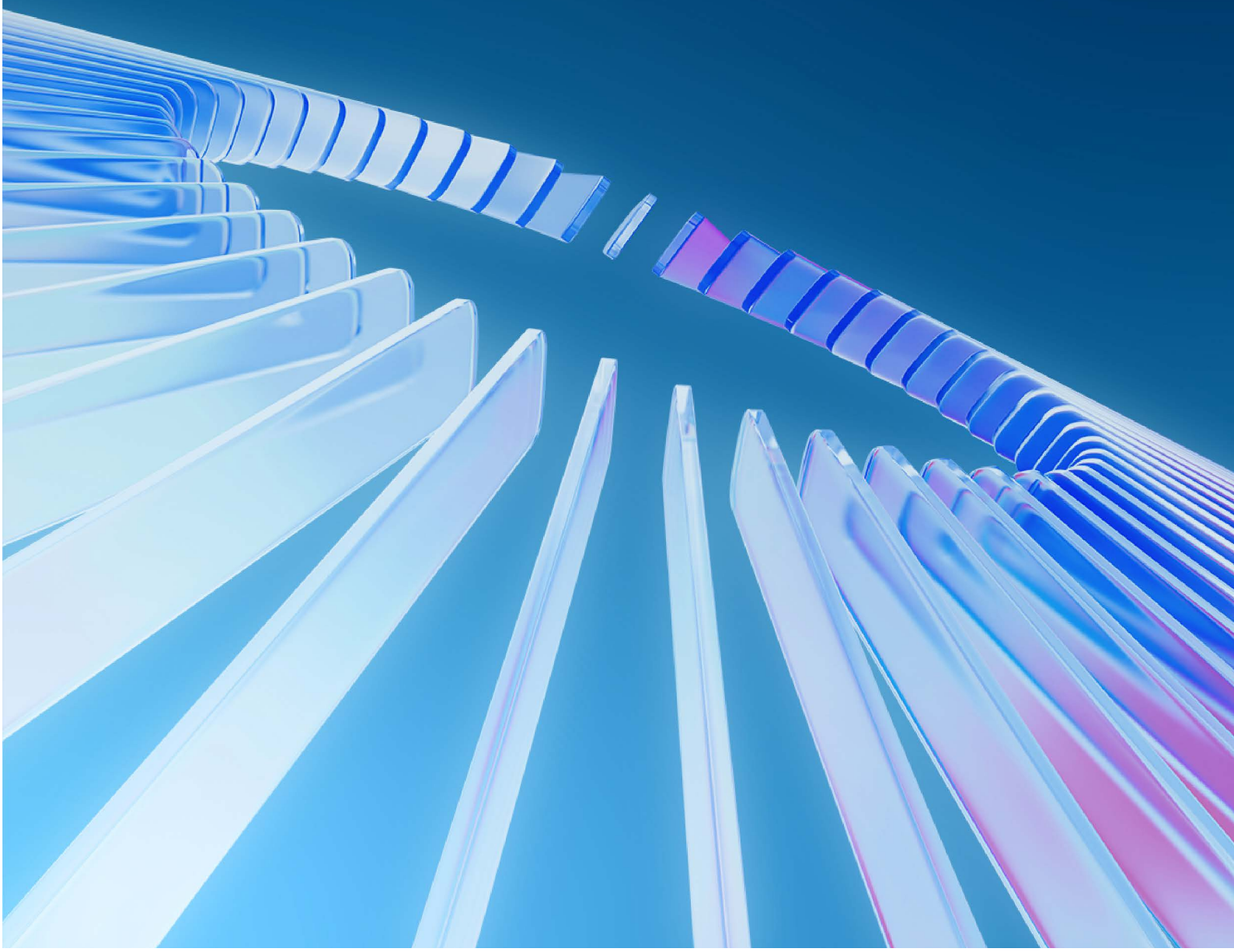


SUSTAINABLE DEVELOPMENT REPORT 2025



REPORT SECTION HEADINGS

ENVIRONMENTAL PILLAR REPORT	4-9
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Company Name	: Tipharco Pharmaceutical Joint Stock Company
Enterprise Registration Certificate No.	: 1200100557, first issued by the Department of Planning and Investment of Tien Giang Province on February 28, 2006; latest amendment registered on January 10, 2026.
Charter Capital	: VND 96,053,180,000
Total Equity	: VND 198,874,305,808
Head Office Address	: Lot 08, Cluster 09, Tan My Chanh Industrial and Handicraft Cluster, My Phong Ward, Dong Thap Province, Vietnam
Telephone	: 0273.3871.817 / 0273.3872.973
Fax	: 0273.3885.040
Website	: www.tipharco.vn
Stock Code	: DTG
Stock Exchange	: HNX

ENVIRONMENT - GREEN PATHWAY & ECOLOGICAL RESPONSIBILITY



STRATEGIC GOAL: Carbon Footprint Transparency, Commitment to Comprehensive Quality for Community Health



GREENHOUSE GAS (GHG) INVENTORY

Methodology

Applied Standards



GHG Protocol
Corporate
Standard



Decree
06/2022/NĐ-CP

Emission Factors



Refrigerants
(IPCC AR5)



Grid Electricity
0.7221
kg CO₂e/kWh



Water Supply
0.149
kg CO₂e/m³
(DEFRA)

EMISSION SCOPE ANALYSIS



Fugitive Emissions (Refrigerants):

Largest source

- R22
- R134a
- R32
- R410A

Hotspot:

R22 Refrigerant
(GWP = 1760)



Mobile Sources

Petrol: 7,940 liters
→ **18.26 Tonnes CO₂e**
Diesel (DO): 8,060 liters
→ **21.76 Tonnes CO₂e**



SCOPE 2 - INDIRECT
(Purchased Electricity)
2,909.92
Tonnes CO₂e

SHARE IN TOTAL CARBON FOOTPRINT: 62.7% (LARGEST)



Primary Source:

Grid electricity for HVAC
& GMP-WHO operations



Total electricity consumption:
4,029,798 kWh



Solar Power Initiative:

Solar Power Initiative
Fed to grid:
61,791 kWh
Community Emission
Reduction:
44.62 Tonnes CO₂e

Note:
Not directly offset under
GHG Protocol



Business Travel

Flights & Field Travel
→ **4.70 Tonnes CO₂e**



Production Water Supply

Total Volume: 19,781 m³
→ **2.95 Tonnes CO₂e**



EMISSION INTENSITY & EFFICIENCY



266,893,525
FINISHED GOODS UNITS

Emission Intensity

17.41 g CO₂e
PER FINISHED GOODS UNIT

ESG Significance

Emission benchmark
per pill/unit

Energy Intensity

0.015 kWh
PER FINISHED GOODS UNIT

ESG Significance

Energy efficiency
of machinery

Water Intensity

0.074
PER FINISHED GOODS UNIT

ESG Significance

Water resource
management
efficiency

Emissions per Employee

17.9
Tonnes / Employee

ESG Significance

Environmental
performance based
on headcount

EMISSION HOTSPOTS TO REMEDIATE



Modernize Cooling System

Problem: R22 refrigerant
leakage from old equipment

Solution: Replace with
eco-friendly refrigerants



Optimize HVAC System

Problem: Main electricity
consumption source

Solution: Install inverters, adjust
operation temperature ranges

PILLAR E CONCLUSIONS

Achievements



Established baseline of
17.41 g CO₂e/finished
goods unit; transitioned to
data-driven management

Challenges



Dependency on grid
electricity and R22
refrigerant leakage

2026-2030 Directions



Invest in deep tech,
optimize energy efficiency
of each line, aim for green
pharmaceutical production

PART 1: ENVIRONMENT - GREEN ROADMAP & RESPONSIBILITY TOWARDS THE ECOSYSTEM

Greenhouse Gas (GHG) Inventory

Tipharco identifies the transparency of its Carbon footprint as a strategic step in the roadmap to realize the commitment of “Comprehensive Quality for Community Health.” We perform the inventory based on the GHG Protocol Corporate Standard, focusing on operational control boundaries across all factories and offices.

Methodology and Calculation Basis

- Applied Standards: Decree 06/2022/ND-CP and GHG Protocol guidelines.
- Emission Factors: Utilizing factors from the IPCC Fifth Assessment Report (AR5) for refrigerants.
- For grid electricity, a factor of 0.7221 kg CO₂e/kWh is applied. For tap water, the standard DEFRA factor of 0.149 kg CO₂e/m³ is used.

Detailed Analysis by Scope

Scope 1: Direct Emissions

Tipharco's Scope 1 emissions in 2025 reached 1,727.81 tons of CO₂e, distributed across two main activity groups:

- Fugitive Emissions: This is the largest emission source in Scope 1, resulting from the recharging of refrigerants (R22, R134a, R32, R410A) for the Chiller systems and cold storage for medicine preservation. Notably, R22 refrigerant accounts for the highest proportion of emissions due to its high GWP (Global Warming Potential) of 1,760. Controlling these leaks is identified by Tipharco as a top management priority.
- Mobile Source Emissions: Includes all fuel used for the transport fleet serving goods distribution and official vehicles for business operations.

- » Consumption of 7,940 liters of gasoline, emitting 18.26 tons of CO₂e.
- » Consumption of 8,060 liters of DO (Diesel Oil), emitting 21.76 tons of CO₂e.

Scope 2: Indirect Emissions

Due to the nature of a pharmaceutical factory operating HVAC (Heating, Ventilation, and Air Conditioning) and clean air filtration systems 24/7 to meet strict GMP-WHO standards, electricity is currently the largest emission source in Tipharco's Carbon footprint structure (62.7%).

- Total grid electricity consumption: 4,029,798 kWh.
- Corresponding emission volume: 2,909.92 tons of CO₂e.

Rooftop Solar Initiative and Contribution to the National Power Grid

To reduce indirect emission pressure and optimize energy costs, Tipharco has decisively shifted its energy structure through a rooftop solar system. This system not only serves internal needs to reduce power consumption but also contributes back to the national grid during periods of excess capacity.

- Clean electricity volume fed into the grid (2025): 61,791 kWh.
- Community emission reduction value: According to international GHG inventory standards, this clean electricity volume helps cut approximately 44.62 tons of CO₂e for the general power system.

Adhering to GHG Protocol principles, the emission reduction from grid-fed solar power is reported by Tipharco as a positive contribution to the environment and society. This index is not directly deducted from the enterprise's gross emissions to ensure data integrity and avoid double-counting in GHG reporting.

Scope 3: Other Indirect Emissions

In 2025, Tipharco took a significant step by proactively expanding its GHG inventory boundaries to the value chain. This aims to ensure transparency, completeness, and strict compliance with international inventory standards:

- Business Travel: Recorded 4.70 tons of CO2e. This figure includes emissions from flights and travel during field business trips to serve partner connection strategies, surveys, and target market expansion.
- Production Water Supply: Recorded 2.95 tons of CO2e, converted from a total of 19,781 m3 of clean water consumed during the year. The entire water source for operations and production at the unit is supplied by Tien Giang Water Supply Co., Ltd.

Integrating this data into Scope 3 provides Tipharco with a comprehensive view of the environmental impact from auxiliary activities, thereby building a sustainable cooperation roadmap with suppliers in the value chain.

Emission Intensity and Operational Efficiency

In 2025, with a total output of 266,893,525 product units, this index reached 17.4 grams of CO2e per product.

Comparative Metrics	Unit	2025	ESG Significance
Emission Intensity	g CO2e / unit	17,41	Defines the emission norm per pill/unit.
Energy Intensity	kWh / unit	0,015	Evaluates the electricity usage efficiency of machinery.
Water Use Intensity	liters / unit	0,074	Measures water resource management efficiency in the production process.
Emissions per Employee	Tons / person	17,9	Environmental performance based on workforce size.

Emission Hotspots at Tipharco

Through the analysis of 2025 emission data, Tipharco has identified two focal areas requiring corrective measures and upgrades within the 2026–2030 roadmap:

- Modernizing the cooling system: Maintaining aged equipment leads to higher R22 refrigerant leakage compared to newer technological lines. This is the area with the greatest potential for Scope 1 emission reduction through the implementation of a replacement roadmap using environmentally friendly refrigerants.
- Optimizing the factory’s HVAC system: As the primary source of electricity consumption, this system needs to be considered for the application of technical solutions such as installing inverters and adjusting flexible operating temperature ranges to save energy more effectively.

CONCLUSION: ENVIRONMENTAL PILLAR (E)

Part 1 has outlined a detailed quantitative picture of Tipharco’s Carbon footprint and resource use efficiency in 2025. Establishing the baseline index of 17.4 grams of CO2e per product is a significant step forward, transforming the environmental management model from qualitative to specific data-driven standards.

Despite positive results in applying renewable energy (solar power) and maintaining waste recycling rates, Tipharco clearly identifies technical challenges that need addressing. Emission hotspots from R22 refrigerant leakage and heavy reliance on the national grid to maintain HVAC systems are realities that demand a long-term technology investment roadmap.


In the coming period, the focus of the Environment pillar will not stop at inventorying but will move toward implementing deep technical solutions: prioritizing the replacement with eco-friendly refrigerants and optimizing energy efficiency on each production line. This is the most practical path for Tipharco to gradually reduce carbon emission intensity, moving toward green and responsible pharmaceutical manufacturing.

SOCIAL RESPONSIBILITY – COMPREHENSIVE QUALITY FOR PEOPLE


Philosophy: Comprehensive quality for community health - Sustainable development alongside employee happiness and societal well-being


HUMAN RESOURCE MANAGEMENT

 Total Workforce:
259

Gender Diversity
 Female ratio: 55.6%
Key female management ratio: 31%


Age Structure
 Golden age group 30-50: 70%
Characteristics: Harmony between experience and creativity

Engagement & Maternity
 Return-to-work rate after maternity: 100%
Number of men taking paternity leave: 8 cases
Note: Affirming a culture of sharing and understanding


Income & Welfare
 Average monthly income: 13.66 million VND
Relative to regional minimum wage: 2.8 times
Total budget for salary & benefits: 42.4 billion VND

OCCUPATIONAL HEALTH & SAFETY



Absolute Goal 
Number of work accidents: 0
Occupational disease cases: 0



Achievement Emulation
 Provincial Third Prize in First Aid
Comprehensive Fire Fighting Encouragement Prize, 25th Tien Giang Province Competition

Management System


- ✓ 100% operating personnel are regularly trained
- ✓ Equipped with GMP-standard protection
- ✓ Early warning system at New Pharma & Medicinal Herb factory
- ✓ Regular chemical spill and explosion response drills

EDUCATION & TRAINING



Internal Training
 Number of courses: 16
Total employee participants: 530
 Manufacturing techniques, pharmaceutical law, drug counseling skills

Partnership & Community
 Key event: Professional Knowledge Update Class (05/03/2025)
Number of pharmacists participated: 500




 Ho Chi Minh City University of Medicine and Pharmacy
 Tien Giang Medical College
 Vietnam Industry and Commerce College

COMMUNITY RESPONSIBILITY



Key Program: Journey of Connecting Love

Social Welfare Activities
 Scholarships for underprivileged students in Cai Lay
Gift of "Family Medicine Kits" in My Tho
 Free medical exams & drug distribution: My Hanh Dong, Ta Nung, Dong Thap

Disaster Relief
 October 2025: Northern Region and Thai Nguyen
 Items: Basic medicines, drinking water, food, 1,000 raincoats


TRANSPARENCY AND CONSUMER RIGHTS



Traceability
Top 20 outstanding enterprises participating in the Tien Giang Traceability Portal

Awareness Campaign
 Transparent Information – Responsible Consumption

Reputable Certifications
 High-Quality Vietnamese Goods
 Top 50 Leading Reputable ASEAN Brands

Community trust and employee engagement are a strong foundation. Every pill carries the value of kindness and responsibility.

PART 2: SOCIAL RESPONSIBILITY – COMPREHENSIVE QUALITY FOR PEOPLE

At Tipharco, the philosophy of “Comprehensive Quality for Community Health” is not limited to pharmaceutical products; it serves as a guiding star for all human resource management activities and community responsibilities. We believe that the sustainable development of an enterprise is only truly meaningful when it is accompanied by the happiness of its personnel and the well-being of society.

Gender Diversity and Equal Opportunity

The workforce is Tipharco’s most valuable asset. In 2025, we continued to maintain a transparent, fair, and inspiring work environment for 259 employees. Tipharco is proud to be a model pharmaceutical enterprise for gender equality. With 55.6% of the workforce being female, women’s voices are not only present in production but also hold 31% of key management positions. We have built a balanced age structure, with nearly 70% of personnel aged 30–50, harmoniously combining extensive experience with creative agility.

Maternity Policies and Absolute Engagement

The most prominent highlight of human resource management in 2025 is the talent retention index. Tipharco recorded a 100% return rate of employees after maternity leave, followed by sustainable long-term commitment. Notably, we respect the rights of male employees, with 8 cases utilizing paternity benefits, affirming a culture of sharing and understanding in the workplace.

Adequate Income and Sustainable Welfare

We are committed to ensuring a stable life for our employees with an average income of VND 13.66 million/month, which is 2.8 times higher than the regional minimum wage. The total budget for salaries and benefits during the year exceeded VND 42.4 billion, demonstrating the enterprise’s efforts in distributing direct economic value to workers.

Occupational Health and Safety (OHS) Management

At Tipharco, we do not view labor safety as a mere reporting metric, but as the foundation of operational performance. A risk-free working environment is our highest commitment to the stability of the pharmaceutical supply chain.

Management Based on Absolute “Zero”

In pharmaceutical manufacturing—where environmental conditions and machinery operations are strictly regulated—maintaining safety requires a seamless monitoring system. In 2025, Tipharco successfully protected its strategic goals:

- 0 workplace accidents: No incidents were recorded that caused production disruption or affected employee health.
- 0 cases of occupational diseases: Risks related to chemicals, dust, and noise were controlled at the source through modern HVAC systems and strict protective procedures.

Competency Verification through Real-world “Tests”

Tipharco’s incident response capability is not just documented in procedures but has been proven through real-world challenges. At the 25th Tien Giang Provincial Occupational Safety, Health, and Fire Prevention Competition, the Tipharco team overcame competitive pressure from 72 units and 504 contestants to affirm their professional skills:

- First Aid Capability: Won the Provincial Third Prize, demonstrating the ability to handle emergency medical situations accurately and promptly.
- Firefighting and Prevention Capability: Won the Comprehensive Consolation Prize, affirming systematic investment in infrastructure and the self-awareness of each employee in protecting assets and lives.

From Theoretical Training to a Culture of Self-Aware Safety

Safety at Tipharco is built on the transformation from “having to comply” to “proactively protecting.” We implement a multi-layered training and control roadmap:

- Skills Training: 100% of machinery operators receive periodic training in occupational safety, health, and firefighting techniques.

- Infrastructure Investment: Equipping GMP-standard labor protection gear and upgrading early warning systems in key areas of the Non-Betalactam and Herbal Medicine factories.
- Risk Supervision: Periodic chemical and fire incident response drills are organized, helping employees not only master legal knowledge regarding social and health insurance but also become proficient in field operations.

Tipharco will continue to tighten these standards so that every employee arrives at the factory with absolute peace of mind, thereby creating the highest quality products for the community.

Education and Training: Investing in the Future of the Healthcare Industry

Tipharco identifies knowledge as the core of pharmaceutical quality. Our education and training strategy is implemented synchronously on two fronts: enhancing internal capacity and contributing to the training of high-quality human resources for the community.

Internal Training and Professional Updates

In 2025, the company successfully organized 16 intensive training courses with 530 employee participations. The program did not stop at production techniques but expanded to pharmaceutical law, business regulations, and skills for safe and effective medication counseling.

Notably, on May 3, 2025, in coordination with the Pharmaceutical Association and the Department of Health of Tien Giang, Tipharco co-organized a professional knowledge update class for more than 500 pharmacists from Tien Giang and neighboring provinces. Here, leading experts shared insights on seasonal respiratory diseases and guided the selection of safe herbal products such as Hedera or HedeCare+, contributing to the standardization of medical counseling capacity at the local level.

Training Collaboration and Nurturing Talent

With a factory system meeting GMP-WHO standards, Tipharco has become a trusted internship destination for prestigious medical educational institutions such as the Ho Chi Minh City University of Medicine and Pharmacy, Tien Giang Medical College, and Vietnam College of Industry and Commerce.

During internship periods (typically in April and August 2025), pharmacy students directly observed closed production processes, from quality testing and GSP warehouse management to the manufacturing workshops for modern and herbal medicines. Through career exchange sessions with experienced pharmacists, Tipharco strives to bridge the gap between theory and practice, igniting passion in the next generation while opening up broad career opportunities for outstanding young personnel.

Community Responsibility: The “Connecting Love Journey”

The “Connecting Love Journey” series of activities is clear evidence of Tipharco’s commitment to community service. We focus our resources on three key areas: healthcare in remote areas, emergency disaster relief, and product responsibility transparency.

Serving Community Health and Social Welfare

The year 2025 recorded the presence of Tipharco working groups at many social welfare hotspots:

- Locally: Awarding scholarships to underprivileged students in Cai Lay; gifting presents, rice, noodles, and “Family Medicine Bags” to households in difficult circumstances or suffering from terminal illnesses in My Tho (Tien Giang).
- In remote areas: Collaborating with the Young Physicians Association and general hospitals to organize medical examinations and provide free medicine to hundreds

of people in My Hanh Dong Commune (Tien Giang), Ta Nung Commune (Lam Dong), and various wards in Dong Thap. Every pill given carries the responsibility and care of Tipharco's doctors and staff for the health of the vulnerable.

Standing by Compatriots during Natural Disasters and Floods

In the spirit of mutual affection, Tipharco is always present in a timely manner in areas heavily affected by natural disasters. During the historic floods in Northern Vietnam and Thai Nguyen in October 2025, the company quickly deployed cross-Vietnam relief convoys.

Thousands of essential gift sets, including basic medicine, drinking water, food, and 1,000 raincoats (in coordination with the Long Chau pharmacy chain), were delivered directly to people in isolated areas. This action not only helped the community overcome immediate difficulties but also provided extra motivation to stabilize their lives after the disaster.

Transparency in Product Responsibility and Consumer Rights

Tipharco pioneered participation in the pilot Tien Giang Province Traceability Information Portal, becoming one of 20 typical enterprises in transparentizing product origins. This is an important step in preventing counterfeit and imitation goods, thereby protecting consumer health.

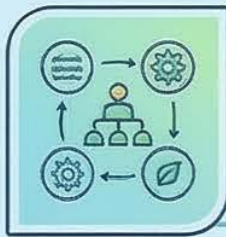
Responding to the 2025 Vietnam Consumer Rights Day with the theme “Transparent Information – Responsible Consumption,” we implemented a large-scale communication campaign, affirming the position of a reputable pharmaceutical enterprise that always puts customer safety first. Awards such as High-Quality Vietnamese Goods or Top 50 ASEAN Reputable Brands are the most objective recognition of these persistent efforts.

CONCLUSION FOR THE SOCIAL PILLAR

Tipharco’s efforts in 2025 have proven that an enterprise is only truly strong when it builds trust with the community and engagement with its employees. We will continue this humanitarian journey, ensuring that every Tipharco pill given carries the value of kindness and responsibility.



CORPORATE GOVERNANCE – TRUST & INNOVATION



ROLE OF THE GOVERNANCE SYSTEM:
Balancing economic growth & social,
environmental sustainable commitments.



LEADERSHIP CAPACITY & ASEAN INTEGRATION



Prominent Achievements:

- 47th ASEAN Summit in Malaysia
- Top 50 Prestigious ASEAN Brands 2025
- ASEAN Exemplary Leaders 2025



Integration Strategy:

- Standardizing governance capacity
- Harmonizing pharmaceutical standards
- Shift in integration mindset.



INNOVATION



Achievements:

- 2 consecutive years receiving the award for "Typical Innovative Vietnamese Enterprise".



International Cooperation:

- Switzerland-Vietnam Economic Forum 2025



Technology Roadmap:

- Applying AI to clinical records
- Quality Control (QC) automation
- Digital conversion & green conversion.



PRODUCT RESPONSIBILITY & TRANSPARENCY



Traceability:

- 1 of 20 typical enterprises
- Tien Giang Traceability Portal
- Transparency in product lifecycle
- Prevention of counterfeiting.

Business Ethics:

Transparent Information - Responsible Consumption Campaign.

Principle:

Safety and customer's right to know above all else.



QUALITY MANAGEMENT SYSTEM & COMPLIANCE



Trust Titles:



Control Process:

- Multi-layered control from raw materials to finished products.

Applied Standards:



BUSINESS ETHICS & RISK MANAGEMENT



Risk Management Model:

- Integrating financial & non-financial risks (ESG).

Periodic Governance Indicators:

- Occupational safety (goal of 0 accidents)
- Greenhouse gas emissions.

Integrity Policies:

- Zero tolerance for corruption, lack of transparency

Integrity Policies:

- Zero tolerance for corruption, lack of transparency
- Publication of ESG reports & operating data.



CONCLUSION & FUTURE ORIENTATION

Core Values:

- Commitment, adherence to discipline & innovative culture.

Future Orientation:

- Standardizing apparatus according to higher international standards
- Ensuring long-term value for shareholders & community.



PART 3: CORPORATE GOVERNANCE TRUST AND INNOVATION

The governance system at Tipharco is identified as the key regulatory body, ensuring a balance between economic growth objectives and environmental-social commitments. In 2025, the company focused on modernizing its governance structure through digital transformation, transparentizing the supply chain, and elevating its brand position on the regional map.

Leadership Capacity and Regional Integration Strategy

The stability and vision of the leadership team are decisive factors in the enterprise's ability to respond to global economic fluctuations. In 2025, the executive capacity of Tipharco's Leadership—comprising the Board of Directors and Board of Management—was recognized through high-level forums in the ASEAN region. At the 47th ASEAN Summit held in Malaysia, Tipharco was not only named in the Top 50 ASEAN Reputable Brands 2025, but key individual leaders were also honored as “ASEAN Typical Leaders 2025.”

This recognition is not merely a formal title but reflects the results of standardizing governance capacity according to international sets of standards. The leadership has implemented a market expansion strategy based on harmonizing pharmaceutical standards between Vietnam and ASEAN member countries. Shifting from a domestic governance mindset to an integration mindset helps Tipharco access modern resource management methods, thereby optimizing operating costs and enhancing competitiveness in both price and quality within the export market.

Innovation as a Core Value of Governance

Tipharco maintains its position as one of the pioneers in applying science and technology to pharmaceutical production. Winning the “Typical Innovative Vietnamese Enterprise” award for the second consecutive year (the 7th and 8th times) is a

testament to the perseverance in the digital and green transformation strategy. For Tipharco, innovation lies not only in researching new drug formulas but also in improving the entire production management system toward a smarter direction.

At the 2025 Swiss–Vietnam Economic Forum, Tipharco deeply participated in thematic discussion sessions on “Innovation in Pharmaceuticals and Healthcare.” Through exchanges with experts from the WHO and multi-national pharmaceutical corporations such as Roche or Sandoz, the company established a roadmap for applying artificial intelligence (AI) in clinical record management and automating quality control processes. This approach helps minimize errors due to human factors while shortening the time to bring products from the laboratory to the market. Governance of innovation helps Tipharco maintain flexibility in an industry with an extremely rapid pace of regulatory and technological change.

Product Responsibility and Information Transparency

In the Pharmaceutical industry, transparency is the foundation of trust. Tipharco identifies the protection of consumer rights as the top priority within the governance pillar. The company has proactively participated as one of the 20 typical enterprises piloting the Tien Giang Province Traceability (TXNG) Portal. This system allows for the transparentization of the entire product life cycle, from raw material origin and the GMP-WHO production process to when the product reaches the customer.

The application of traceability technology not only helps prevent the issue of counterfeit and imitation goods but is also an effective risk management tool. In the event of any technical incident, the system allows for accurate tracing and zoning of products in real-time, ensuring a rapid response and protecting public health. Simultaneously, through the “Transparent Information – Responsible Consumption” campaign responding to Vietnam Consumer Rights Day, Tipharco clearly affirmed its business ethics perspective: placing customer safety and the right to know above short-term profit goals.

Quality Management System and Regulatory Compliance

Compliance is the backbone of Tipharco's governance activities. The 2025 High-Quality Vietnamese Goods title, marking a 29-year journey of continuous selection by consumers, is the result of maintaining a strict quality management system. The company operates based on absolute compliance with GMP-WHO, GSP (Good Storage Practice), and GLP (Good Laboratory Practice) standards.

Every process, from raw material warehousing and herbal extraction to finished product packaging, is controlled through rigorous technical filtration layers. Maintaining stable quality for nearly three decades relies not only on machinery systems but also on internal control processes and periodic evaluations from regulatory agencies. Tipharco considers compliance with medical standards as a necessary technical barrier to eliminate low-quality products, thereby protecting brand reputation and ensuring the sustainability of the enterprise in the volatile pharmaceutical market.

Business Ethics and Integrated Risk Management

Risk management at Tipharco is implemented according to an integrated model, combining financial risks and non-financial risks (such as environment and society). We have included labor safety indicators (0 accidents) and greenhouse gas emissions in the periodic governance index board of the Board of Directors. This allows the leadership to have a multi-dimensional view of potential impacts that could affect the enterprise's business continuity.

Regarding business ethics, Tipharco maintains a zero-tolerance policy against non-transparent acts and corruption. We build a healthy competitive environment and establish direct feedback channels from employees as well as customers. Publicly disclosing ESG reports and operational data is a testament to the company's efforts in building an honest governance system, ready to be accountable to shareholders and stakeholders..

CONCLUSION OF PART 3: GOVERNANCE PILLAR (G)

The governance system at Tipharco in 2025 has demonstrated adaptive capacity and the ability to maintain strict business ethics standards. Integrating non-financial indicators (ESG) into the management structure not only helps the enterprise comply with the law but also creates a transparent competitive advantage in the market.

Recognition from prestigious organizations in the ASEAN region and the title of Typical Innovative Enterprise are evidence of a stable operating apparatus with a long-term vision. However, the core value of governance at Tipharco lies in commitment: from pioneering the implementation of Traceability to protect consumers, to maintaining absolute GMP-WHO standards. We believe that good governance is managing the expectations of stakeholders through substantive actions and transparent information.

The results of the Governance pillar in 2025 serve as the foundation for Tipharco to continue standardizing the apparatus according to higher international standards. We will continue to maintain discipline in compliance while promoting an innovation culture to ensure that every decision by the Leadership always aims for sustainable development and long-term value for shareholders and the community.

CLOSING: A SUSTAINABLE JOURNEY WITH NO STOPPING POINT

Tipharco's 2025 Sustainability Report is not merely a summary of numbers, but an affirmation of a new governance mindset: Profit must go hand in hand with responsibility. We understand that, in the pharmaceutical industry, the trust of customers and the community is the most valuable asset. The achievements in retaining 100% of personnel after maternity leave, maintaining 0 workplace accidents, or the initial comprehensive inventory of Scope 1, 2, and 3 Carbon footprints are the first bricks building a resilient and sustainable Tipharco.

Looking to the future, Tipharco commits to constantly improving environmental performance, tightening business ethics, and spreading humanitarian values through the "Connecting Love Journey." We believe that with transparency in governance and the desire for innovation, Tipharco will continue to be the pride of the Vietnamese pharmaceutical brand, not only domestically but also reaching far on the international stage.

TIPHARCO PHARMACEUTICAL JOINT STOCK COMPANY



SUSTAINABLE DEVELOPMENT REPORT

2025

DATA APPENDIX

Table 1: Environmental Data Summary

No	Category	Unit	2025
1	Total Greenhouse Gas (GHG) Emissions	Tons of CO2e	4.642,43
2	Grid Electricity Consumption	kWh	4.029.798
3	Gasoline Consumption	Liters	7.940
4	Diesel Oil (DO) Consumption	Liters	8.060
5	Total Water Consumption	m3	19.781
6	Waste Recycling Rate	%	6,73%
7	Carbon Intensity	g CO2e / unit	17,41
8	Energy Intensity	kWh / unit	0,015
9	Water Use Intensity	Liters / unit	0,074

Table 2: Safety & Training Data Summary

No	Category	Unit	2025
1	Number of workplace accidents	Incidents	0
2	Number of occupational disease cases	Cases	0
3	Total professional training participations	Participations	530
4	Number of training courses organized	Courses	16

Table 3: Social Data Summary

No	Category	Unit	2025
1	Total Workforce	Người	259
2	Percentage of Female Employees	%	55,6%
3	Percentage of Females in Management	%	31,0%
4	Average Monthly Income	VNĐ/tháng	13.662.150
5	Total Salary and Benefit Budget	VNĐ	> 42,4 tỷ
6	Retention Rate after Maternity Leave	%	100%
7	Number of Male Employees utilizing Paternity Leave	Người	8

Table 4: Governance Indicators

No	Standards / Titles	Compliance Status
1	Pharmaceutical Manufacturing Standards	100% compliance with GMP-WHO, GSP, GLP
2	Traceability (TXNG)	Pioneering the pilot of the Tien Giang Traceability Portal
3	Brand Position	Top 50 ASEAN Reputable Brands 2025
4	Innovation Capacity	Top 50 Typical Innovative Enterprises (8th time)
5	Consumer Reputation	High-Quality Vietnamese Goods 2025

Table 5: Wastewater Treatment Efficiency Details (Analysis from Monitoring Results)

Comparison Table of Key Pollutants at the Two Factories vs. QCVN 40:2011/BTNMT Standards

(Unit: mg/L)

No	Analysis Parameters	Non-Betalactam Factory (Output)	Herbal Medicine Factory (Output)	Regulatory Standards
1	pH	7,06	6,83	6 - 9
2	BOD ₅	9,0	5,0	30
3	COD	22,9	12,8	75
4	TSS (Total Suspended Solids)	29,0	20,3	50
5	Ammonium (as N)	Not detected (< 0.40)	Not detected (< 0.40)	5
6	Total Nitrogen	17,3	< 8,0	20
7	Total Phosphorus (as P)	3,41	0,76	4
8	Coliforms (MPN/100mL)	2,4 x 10 ²	4,6 x 10 ¹	3.000

Table 6: Total Emissions in 2025

No	Emission Scope	Main Emission Source	Unit	2025
1	Total Emissions	All operations	Tấn CO2e	4.645,38
2	Scope 1 (Direct)	Refrigerants, Gasoline, Diesel Oil		1.727,81
3	Scope 2 (Indirect)	Grid electricity consumption		2.909,92
4	Scope 3 (Other Indirect)	Business travel & Production water supply		7,65

Table 7: GRI Content Index

STT	GRI Standard	Content Description	Position in Report
1	GRI 2: General Disclosures	General information about the enterprise and governance system.	Chapter 3
2	GRI 201: Economic Performance	Direct economic value generated (Salary, benefits).	Chapter 2 (Section 1)
3	GRI 302: Energy	Consumption of grid electricity and solar power.	Chapter 1 (Section 1.1.2.B)
4	GRI 303: Water and Effluents	Water resource management and Grade A wastewater treatment efficiency.	Chapter 1 (Section 1.2)
5	GRI 305: Emissions	Scope 1, 2, 3 Greenhouse Gas (GHG) emissions (Including water supply).	Chapter 1 (Section 1.1)
6	GRI 306: Waste	Solid waste management and recycling rate.	Chapter 1 (Appendix 1.1)
7	GRI 401: Employment	Recruitment, talent retention, and maternity benefits.	Chapter 2 (Section 1)
8	GRI 403: Occupational Health and Safety	Occupational safety and incident prevention culture.	Chapter 2 (Section 2)
9	GRI 413: Local Communities	Social activities and the "Connecting Love Journey."	Chapter 2 (Section 4)

EMPLOYEE ENGAGEMENT & SPIRITUAL WELFARE ACTIVITIES 2025

- Organized the Year-End Party and provided Tet gifts to all employees.
- Distributed Mid-Autumn Festival gifts.
- Organized Monthly Birthday Celebrations.
- Provided International Children's Day (June 1st) gifts for employees' children.
- Awarded gifts to employees' children for outstanding academic achievements.
- Organized the "Banh Xeo" (Sizzling Pancake) Competition and presented gifts to female employees on International Women's Day (March 8th).
- Hosted the Tipharco Sports Festival in celebration of Workers' Month 2025.
- Organized the New Year Party combined with a Teambuilding program and a sightseeing tour to Vinh Hy – Ninh Chu.

TYPICAL SOCIAL WORK ACTIVITIES 2025

- Tipharco donated 150 medical examination and treatment slots to residents of My Hanh Dong Commune, Cai Lay Town, Tien Giang Province.
- Tipharco donated 20 medicine bags to residents of My Luong and My Phong Communes, My Tho City, Tien Giang Province.
- Tipharco donated 160 medical examination and treatment slots to residents in difficult circumstances in Lam Dong Province.
- Tipharco donated 200 medical examination and treatment slots to residents in difficult circumstances across wards in Dong Thap Province.
- Tipharco donated 200 medical examination and treatment slots and provided free medicine distribution to residents in difficult circumstances in My Hiep Commune, Dong Thap Province.
- Tipharco joined hands to support residents in flood-stricken areas of Northern and Central Vietnam.