

TOOLKIT

SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT VOL. 1



(Vol. 1 includes forms, QR codes, videos, and related documents)

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

INTRODUCTION

Climate change is becoming one of the biggest challenges facing many countries, affecting every aspect of global economic, political, and security life. At the 26th Conference of the United Nations Framework Convention on Climate Change (COP26), Vietnam, along with nearly 150 other countries, committed to achieving net emissions of "zero" by 2050. In this context, banks, as institutions providing and coordinating capital based on rigorous risk assessment processes, play a crucial role in encouraging their client businesses to adopt sustainable development standards.

SHB's Vision and Commitment

Over more than 30 years of development alongside the country, Saigon - Hanoi Bank (SHB) has affirmed its clear strategic vision and pioneered in the development of green credit and green banking activities. Guided by directives from the Government and the State Bank of Vietnam, SHB is committed to pursuing sustainable development and greening its banking operations.

Environmental and Social Risk Management Policies and Procedures

- ♦ **Boosting Green Credit** : Over the past years, the ratio of green credit to total outstanding loans at SHB has grown very rapidly, at nearly 10% per year, and is trending towards further growth. At SHB, green credit outstanding is mainly concentrated in the clean energy, renewable energy, agriculture, and green industries. These projects are all financed by SHB with preferential policies and programs from direct capital sources or through connections with international capital sources.
- ♦ **International Cooperation** : From a very early stage, SHB established cooperative relationships with international organizations such as the World Bank (WB), the International Finance Corporation (IFC), the Asian Development Bank (ADB), and the German Development Bank (KfW)... These collaborations not only help
We seek preferential medium and long-term capital sources, and also provide safety and technical advice to support customers and SHB in effectively implementing and financing projects.
- ♦ **Social and Environmental Management System** : SHB is proud to be one of the first banks to build and implement an Environmental and Social Management System (ESMS) in accordance with international guidelines and practices. This system helps customers establish new standards for sustainable development while building internal strength within the bank itself.

Future Orientation

SHB continues its efforts to maintain its leading position in implementing Environmental, Social, and Governance (ESG) standards. The bank is committed to maintaining and promoting these policies to ensure that all lending activities contribute to sustainable development, environmental protection, and community preservation.

CONTACT INFORMATION



<http://www.shb.com.vn>



*6688 (24/7 Hotline)



77 Tran Hung Dao Street, Hanoi

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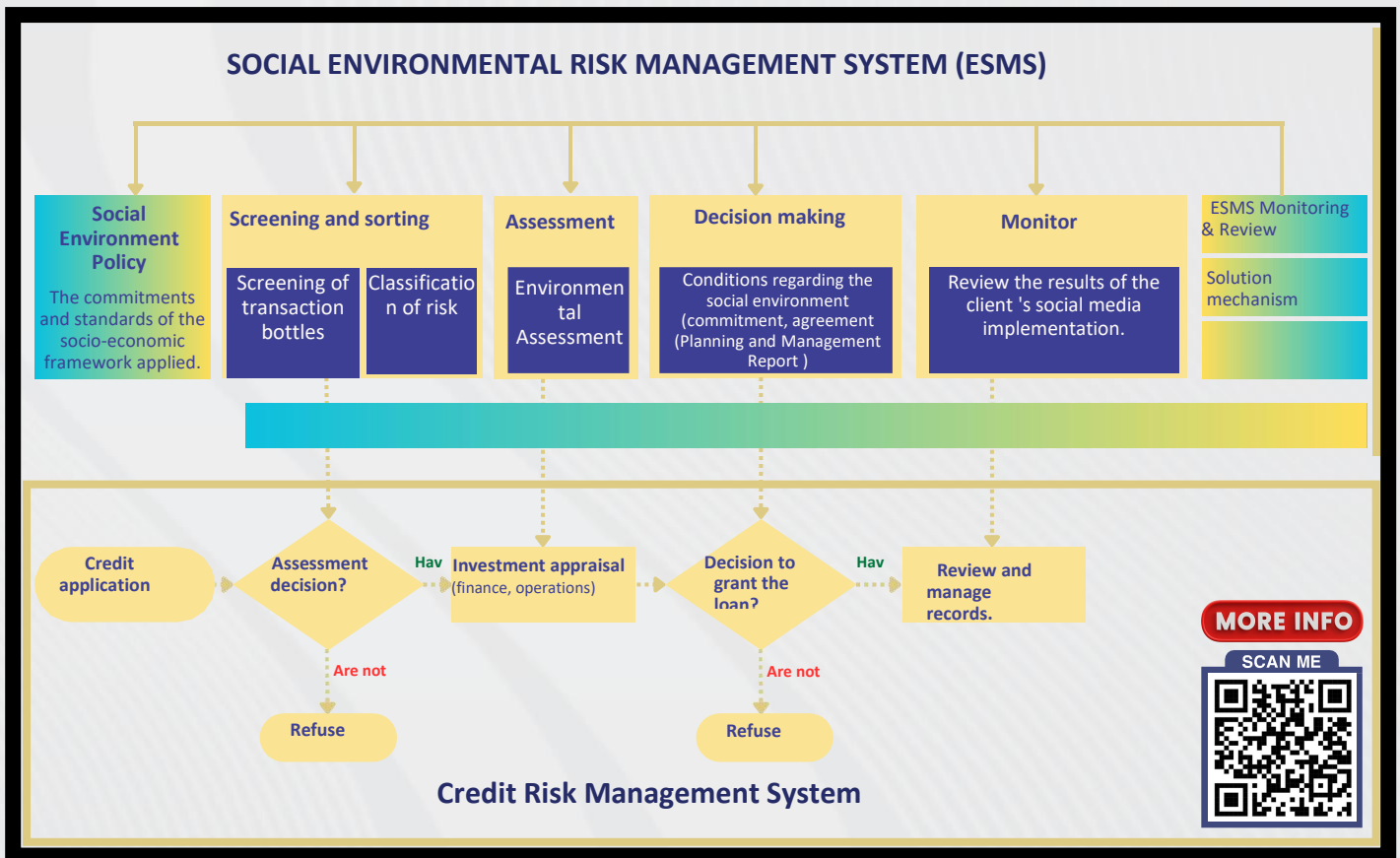
SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT FORM I

REFERENCE: QR code for video and related documents.

PART 1 - SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT SYSTEM

1.1. SOCIAL ENVIRONMENTAL MANAGEMENT SYSTEM I AT SHB

The Environmental and Social Risk Management System (ESMS) helps SHB identify and manage environmental and social risks related to its portfolio in the most regular and effective way. At SHB, this system is integrated into the Bank's existing risk management system (see illustration below).



The Environmental and Social Risk Management System includes:

- SHB's social responsibility policies on sustainable development are consistent with Vietnamese laws on credit granting, credit risk management in banking operations, and SHB's commitments to international organizations;
- The system of environmental and social risk management processes includes: Environmental and social risk assessment process; decision-making; environmental and social risk monitoring process; and environmental and social risk management toolkit.
- Publicly disclose information on the implementation of socio-economic risk management and monitoring for the Bank's credit portfolio;
- Environmental and social responsibility (ESR) capacity encompasses the institutional, human, and financial resources to implement ESR policies and processes that support effective ESR risk management, monitoring, and reporting of ESR risk management activities as required by the organization.

1.2. PRINCIPLES OF SOCIAL RISK MANAGEMENT IN CREDIT PROVISION ACTIVITIES AT SHB



SHB implements socio-economic risk management in its lending activities to ensure compliance with Vietnamese laws on lending, credit risk management in banking operations, and SHB's commitments to international organizations.



SHB conducts socio-economic risk assessments in its lending activities for investment projects and production-business plans financed by SHB to identify credit risk, determine credit granting conditions, and manage credit risk for customer loans.



When evaluating investment projects and business plans with environmental and social risks, SHB agrees with customers to commit to implementing measures to mitigate environmental and social risks in lending activities. These commitments/agreements are expressed in the Credit Agreement/credit agreement addendum/commitment document attached to the Credit Agreement.

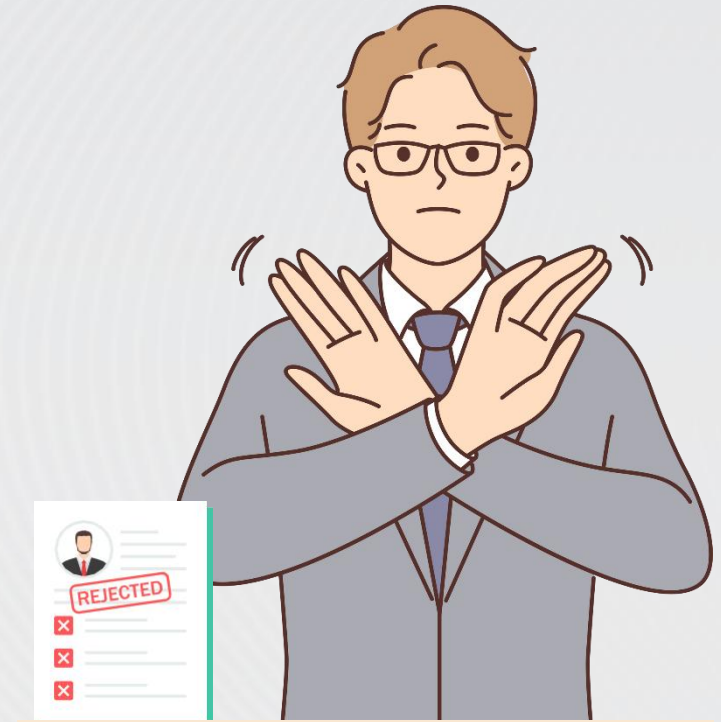


SHB does not provide credit or financing for activities included in the Exclusion List and restricted activities of SHB that SHB has committed to (Details of the Exclusion List and restricted activities of SHB for each period).





SHB reserves the right to refuse credit if the Customer does not meet SHB's environmental and social responsibility requirements and does not commit to addressing environmental and social risks/impacts as required by SHB.



SHB conducts environmental and social risk assessments in its lending activities or utilizes the results of environmental and social risk assessments from organizations providing environmental and social risk assessment services or from other credit institutions as agreed upon in the service contract for each period.



The social risk management system is integrated into SHB's business operations, credit granting activities, and overall risk management policies.



Customers are responsible for providing socio-economic information to support the assessment/management of socio-economic risks in credit granting activities as requested by SHB and are responsible for ensuring that the information provided to SHB is complete and accurate.



MORE INFO

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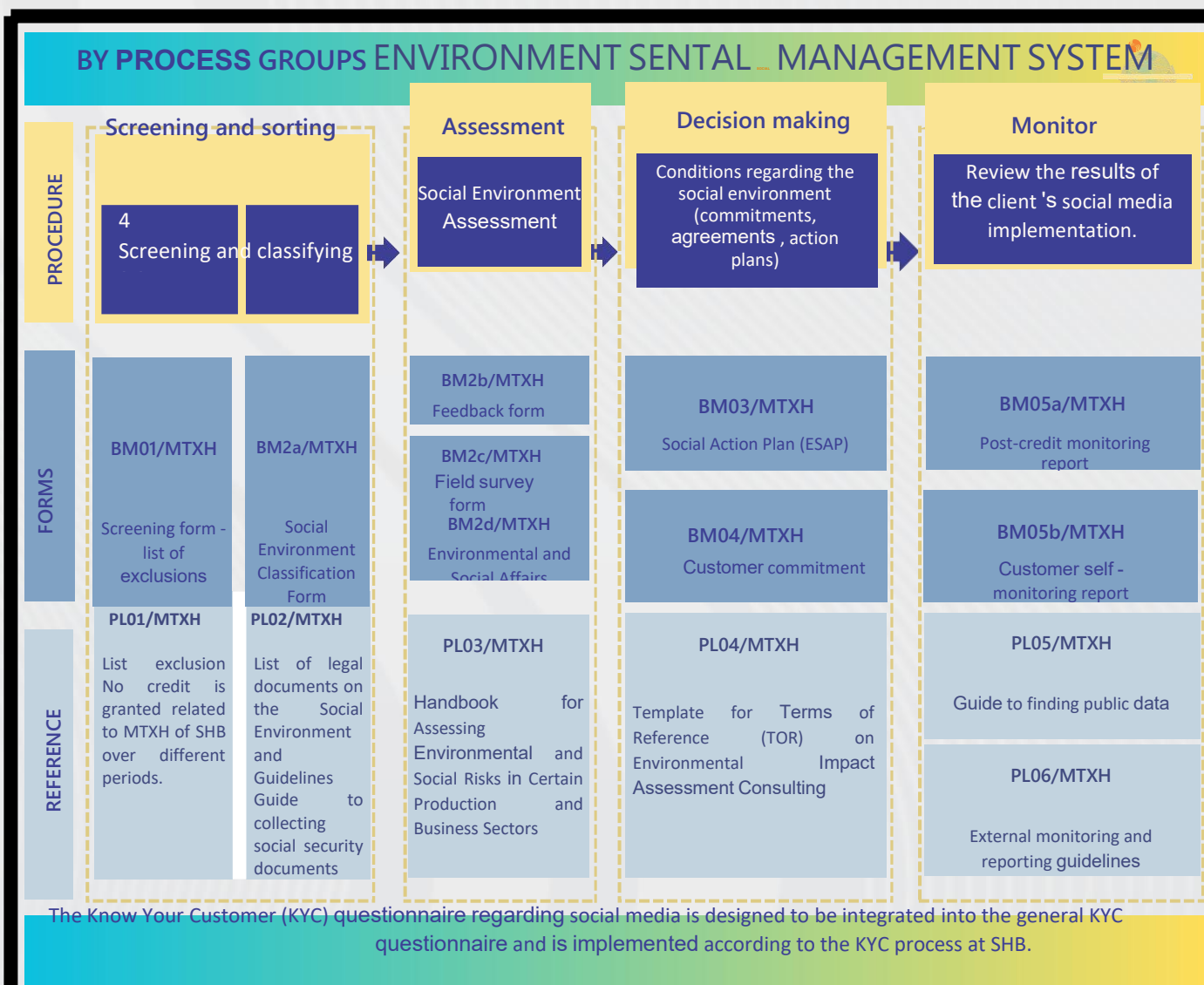




PART 2 - SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT TOOLKIT I

The Environmental and Social Risk Assessment Toolkit is an indispensable part of supporting the implementation of the environmental and social risk assessment, decision-making, and monitoring process within SHB's Environmental and Social Risk Management System.

SHB's socio-environmental risk management toolkit not only helps accurately assess potential environmental and social risks in projects and loans but also ensures that all credit decisions are consistent with sustainable development standards. With its comprehensive and integrated nature, this toolkit provides a useful framework, helping banks conduct due diligence processes efficiently and transparently.



The results of the socio-economic risk assessment form the basis for credit granting decisions, pricing, and disbursement conditions in credit agreements, as well as the level of management and monitoring of the credit after disbursement.

By integrating this toolkit into its credit process, SHB is committed to improving the quality of risk management, while promoting projects and activities that not only benefit the economy but also contribute to environmental protection and sustainable community development.

MORE INFO

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PART 3 - SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT FORM I

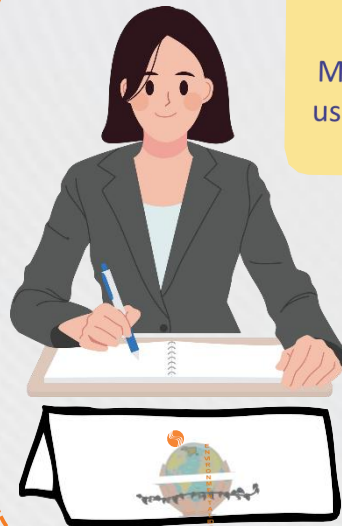
3.1. SCREENING TRANSACTIONS AND CLASSIFICATION OF SOCIAL RISKS

The credit-proposing unit will screen and review all customer credit proposals against the exclusion list to ensure: SHB does not participate in, provide credit for, or offer other financial support activities to customers involved in activities on the list of those with negative impacts on the environment and society (SHB's list of excluded customers from providing credit related to the environment and society).

Receiving the customer 's credit application .



Customer Relationship Management CV uses according to the list



BM01/MTXH to

The industry/ business sector that proposes credit granting is on SHB 's exclusion list.

- A ☒
- B ☐
- C ☐
- D ☐



SHB refused to grant credit.

Next action

Notice to Customers

Industry/sector proposed by the client
Credit granting not included in SHB's exclusion list

Continue the process Ministry forms social media tools



MORE INFO

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After receiving the customer's credit application, the Relationship Manager uses Form BM01/MTXH to filter transactions according to SHB's Exclusion List. If

The industry/sector for which the customer proposes credit is on the exclusion list. SHB, the credit application will be rejected and the customer will be notified of the result.

BM01/MTXH
SCREENING FORM FOR EXCLUSIONS RELATED TO SOCIAL AND ENVIRONMENTAL CONDITIONS
I. GENERAL

Credit-proposing entity : The customer		
requested credit: Customer 's business		
activities :		Tax identification number:
Purpose of granting credit:		
Liñ hv ư c/credit granting industry:		
Location of Project / Business		
II. SCREENING		

Sectors/fields included in the list of excluded sectors for granting credit	Ha	Are
1. The production and/or trading of any products or services that violate Vietnamese law or international regulations, conventions , or agreements, or are subject to international prohibitions, such as prohibited pharmaceutical products , pesticides / herbicides , ozone - depleting substances, PCBs, wildlife , or products regulated under the CITES convention , is prohibited .		
2. The following activities /projects, in the event that revenue from these activities equals or exceeds 20% of the total annual revenue (calculated based on data from the immediately preceding year or according to the investment plan/ project in the case of projects not yet in operation): Manufacture and/or trade in weapons and ammunition . • Production and/or trading of alcoholic beverages (excluding beer and wine). • Casino business, gambling and/or similar activities . • Manufacturing or trading tobacco products.	—	—
3. Manufacture and/or trade of radioactive materials, excluding medical devices, quality monitoring (measuring) devices, and any source devices deemed negligible or adequately shielded (adequate shielding to control radioactive exposure).		
4. Manufacture and/or trade of unbonded raw asbestos materials[2]. This regulation does not apply to the business and use of bonded asbestos cement boards with an asbestos content of less than 20%.		
5. Fishing with drift nets in the sea area with a net length greater than 2.5km .		

[1] The credit-approving entity checks the list provided periodically by the Risk Management Department.

[2] The credit-approving entity must verify the information against the list of prohibited imported and used asbestos materials and prohibited cement and building material production technologies in Vietnam, as stipulated by current laws.

II. SCREENING RESULTS		
Sectors/fields included in the list of excluded areas for granting social-related credit	Have	Are not
6. Production or services that use forced labor[3] and /or use harmful child labor	☐	☐
7. Commercial logging in primary humid tropical forests for use .	☐	☐
8. The production or trading of timber or other forestry products not from sustainably managed forests .	☐	☐
9. Coal mining, coal transportation , coal-fired power plants (excluding coal-fired power plants used exclusively for industrial applications such as mining , metallurgy, cement or chemical industries) or infrastructure services specifically to support any of the above activities.	☐	☐
10. Coal-fired power generation, electricity generation from coal, peat mining, electricity generation from peat, and activities in the value chain from these activities.	☐	☐
11. Any activity involving the cultivation, processing, or trading of coffee, farmed shrimp, cashew nuts, rice, or rubber, except for demonstrating a certified source or production of the goods, including Aquaculture Stewardship Council (ASC) or Best Aquaculture Practices (BAP) for farmed shrimp; Sustainable Rice Forum (https://sustainableice.org) for rice ; Rainforest Alliance or Global Gap certification for coffee or cashew nuts; and Forest Stewardship Council (FSC) or Rubber Growers Certification (PEFC) (https://rubber.pefc.org/get-certified/certification-for-rubber-growers) for rubber .	☐	☐
III. CONCLUDE		
Sector/ Project proposing credit granting:		
☐	Included in SHB's general exclusion list if checked YES in items 1-8 above.	
☐	Included in SHB's restricted list (according to the agreement with IFC) if checked YES in items 9-11.	
☐	Not included in SHB's excluded and restricted list.	

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**CUSTOMER RELATIONS
SPECIALIST**

(Sign and print your full name)

....., day ... /

**Head of Customer
Relations Department /
Branch Manager**

(Sign and print your full name)

[3] Forced or coerced labor: Exploitation means being exploited through the threat of violence or punishment.

It refers to all work or services that are not performed voluntarily, but are otherwise provided for.

Classification of Social Environments:

After the application passes the transaction screening stage, the Relationship Manager proceeds to classify the level of Social and Environmental risk (High, Medium, or Low).

Classification of investment projects according to Vietnamese environmental protection laws:

	Group I adverse impacts on the environment at high risk (PL3 - Decree 08/2022/ND-CP)	Group II There is a risk of negatively impacting the environment. (PL4 - Decree 08/2022/ND-CP)	Group III There is little risk of adverse impacts on the environment. PL 5 - ND08	Group 5 There is no risk of adverse impact on the environment.
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Classification of socio-environmental risks according to IFC:

	TYPE IA There are significant , diverse, irreparable, or unprecedented negative socio - economic risks /impacts.	TYPE IB There is a limited risk/impact of negative socio-economic events , few in number and specific locations , and these can be significantly remedied through mitigation measures .	IC type There is minimal or no socio-economic risk /impact.
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Below are some QR codes linking to guidelines related to the classification of environmental and social risks according to Vietnam's Environmental Protection Law and the IFC.



Appendices 3, 4 & 5 - Decree 08



Classification of social environments according to IFC



IFC Operating Standards



ENVIRONMENTAL IMPACT RISKS

Type IC Type IB Type IA

SOCIAL IMPACT RISKS

IC type







TYPE IB







TYPE IA

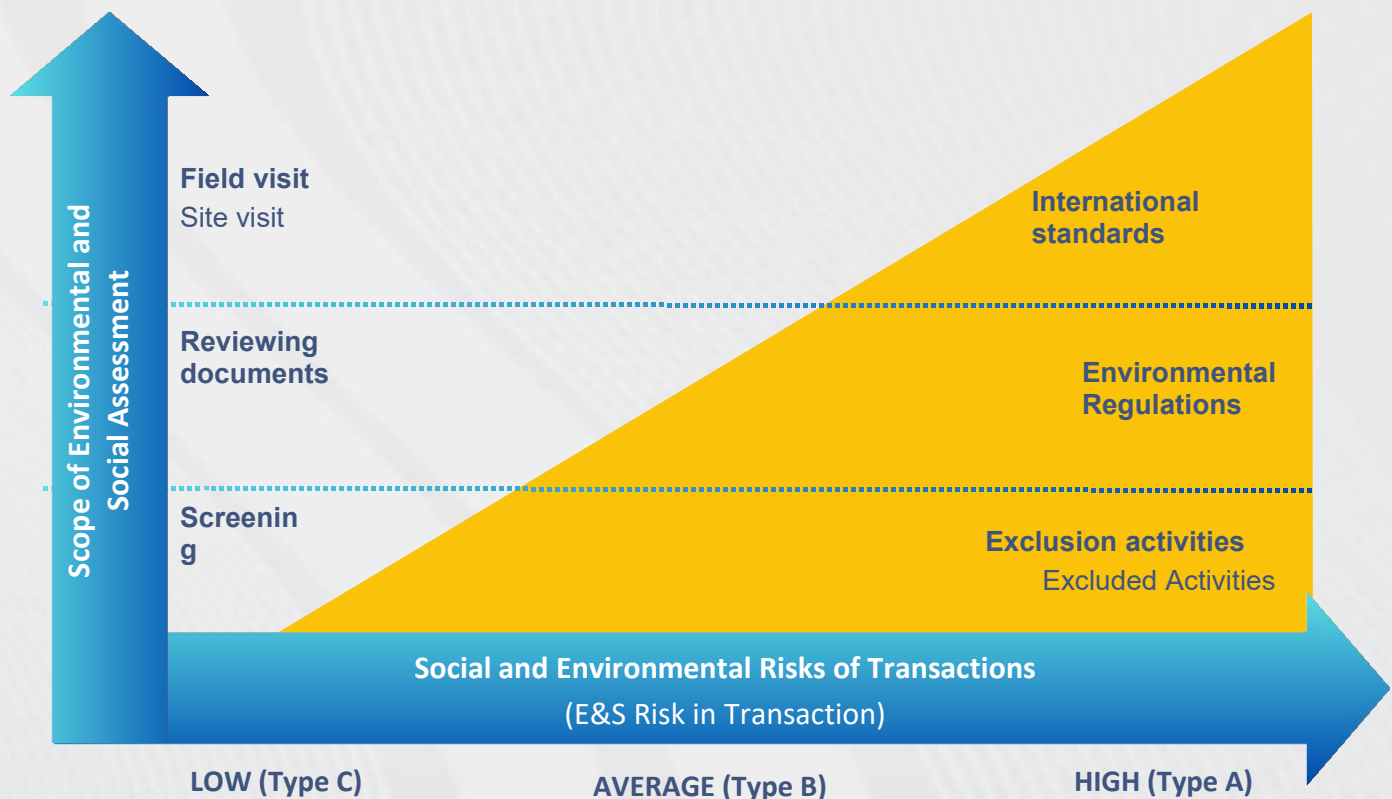






SHB determines the type of risk assessment/evaluation based on the results of the social and environmental risk classification. The details are as follows:

- For low-environmental and social risk transactions (Type C), the customer confirms compliance with national environmental and social laws. In this case, no further evaluation is needed.
- For clients or projects classified as having medium or high socio-environmental risk, the Relationship Manager should identify the applicable socio-environmental standards and guidelines to assess the proposed credit project/business plan, as well as the client's ability to manage socio-environmental risks. For example : National regulations, the Bank's Social and Environmental Requirements, IFC Performance Standards, and the World Bank's Guidance on Environment, Health and Safety.



Environmental and social risk assessment activities	Level of socio-economic		
	Short	Medium	High
• Checking compliance with current regulations;	✓	✓	✓
• Assessing the client's environmental and social risk management capabilities ;		✓	✓
• Conducting field visits.		✓	✓

SHB activates the process of in-depth Environmental and Social Due Diligence (ESDD) technical support/assessment and/or mobilizes independent consultants to prepare Environmental and Social Due Diligence (ESDD) reports for credit proposals classified as having high or complex environmental and social risks.

MORE INFO

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BM02a/MTXH

ENVIRONMENTAL & SOCIAL RISK CLASSIFICATION FORM

PART I - CUSTOMER AND PROJECT/BUSINESS PLAN INFORMATION

1. Client	Customer name:	CIF
	Project /Business Plan Name:	Industry/ Field :
2. Project /Business Plan	Purpose of requesting credit: Location [of project /business operation]:	Amount of credit granted: Assessment number : _____ Day: ____/____/____
3. Officials in charge of	Name of person in charge:	Phone: E-mail:

II. CLASSIFICATION I: SOCIAL RISKS

2.1. Based on Vietnamese law on environmental protection.

Project/Type of Production-Business-Service proposed by CTD

1. Appendix III - Decree 08/2022/ND-CP
2. Appendix IV - Decree 08/2022/ND-CP
3. Appendix V - Decree 08/2022/ND-CP

Have	Are not	Specifically,
☐	☐	Project /Type of Production/Business:
☐	☐	Scale:
☐	☐	Power:
		Level of sensitivity MT:

Conclusion (2.1):

☐	Belongs to Group I if the checkmark is YES in item 1 above (Equivalent to Type A)
☐	Belongs to Group II if the checkmark is YES in item 2 above (Equivalent to Type B)
☐	Belongs to Group III if the checkmark is YES in item 3 above (Equivalent to Type C)
☐	Belongs to Group IV if the checkmark is zero in all items 1-3 above (Equivalent to Type C)

2.2. Other grounds (applicable if the credit facility is part of SHB's commitment to an international organization)

Conclusion (2.2):

2.3. Customer's proposed CTD classification results

Type A - High risk Type B - Medium risk Type C - Low/no risk

Undetermined; requires technical support from specialized environmental assessment officers.

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CUSTOMER RELATIONS
SPECIALIST

(Sign and print your full name)

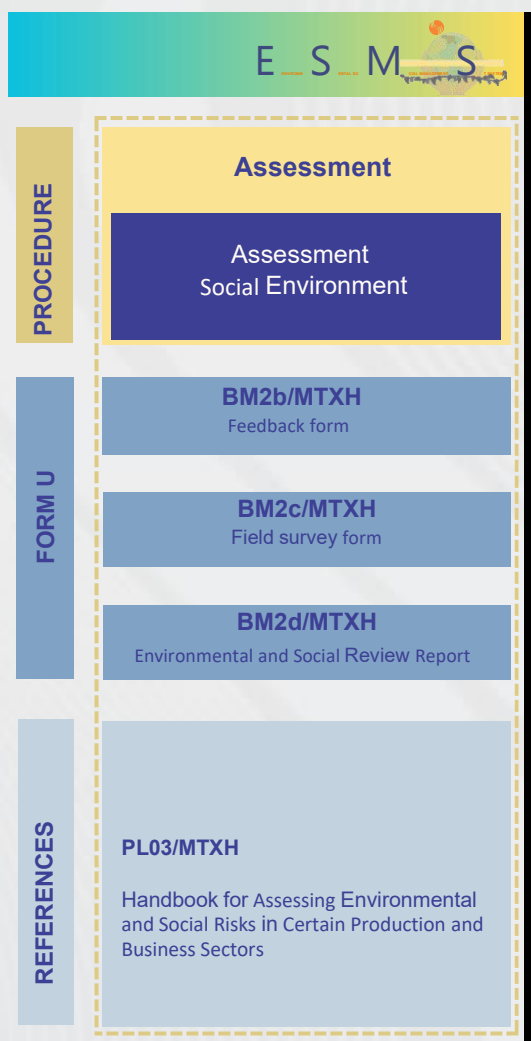
....., day ... /

Head of Customer
Relations Department /
Branch Manager

(Sign and print your full name)

3.2. SOCIO-ENVIRONMENTAL RISK ASSESSMENT I

The environmental impact assessment process focuses on evaluating the impacts of the Project/Business Plan on the community and the environment. This includes identifying health risks, occupational safety risks, impacts on the local community, and other environmental impacts. This process helps identify and manage risks related to social and environmental factors, thereby minimizing potential risks that could affect the sustainable development of the project and ensuring that credit activities do not have a negative impact.



This toolkit includes the following important reference forms and appendices:

Form:

- Form BM2b/MTXH - Social and Environmental Risk Assessment Form in Credit Granting Activities: This assessment form is used to evaluate the environmental and social risks associated with projects or activities for which the client proposes to borrow funds. The form helps banks identify potential factors that could pose risks to the environment and the community.
- Form BM2c/MTXH - Field Survey Form: This survey form is used to collect information directly from the project or activity site. This gives the bank a more detailed view of the actual conditions and related socio-environmental factors.
- Form 2d/MTXH - Social Environment Verification Report: The socio-environmental assessment report compiles the results from evaluation forms and field surveys, providing an overview of the socio-environmental status of the project or activity. The report will include conclusions on the level of compliance with environmental and social standards, identified risks, and recommendations for improving or managing these risks.

Reference Appendix:

- PL03/MTXH - Handbook for Assessing Environmental and Social Risks in Certain Production and Business Sectors: This handbook provides detailed guidance and standards for assessing environmental and social risks for specific industries and businesses. This is an important reference document to ensure that the evaluation process is conducted consistently and accurately.

Environmental and social impact assessments help banks ensure that their clients' projects or activities comply with legal requirements and international environmental and social standards, such as those of the International Finance Corporation (IFC). This helps banks commit to providing loans in a socially responsible manner, thereby making a positive difference in the community and ensuring that financial activities contribute to sustainable development.



BM02b/MTXH

SOCIAL RISK ASSESSMENT FORM IN CREDIT-GROWING ACTIVITIES TO CUSTOMERS

PART NA - CUSTOMER AND PROJECT/BUSINESS PLAN INFORMATION		
A1. CUSTOMER INFORMATION		
1. The customer requested CTD.	Customer name:	CIF
2. Project proposal CTD	Project /Business Plan Name:	Industry/ Field :
	Purpose of the credit request [Project investment /Additional working capital for what purpose]:	Amount of credit granted:
	Location [of project /business operation]:	Assessment number : _____ Day: ____/____/____
3. Client 's Social Media Officer		Phone: E-mail:
A2. INFORMATION ON THE ENVIRONMENT & SOCIETY OF THE CLIENT/PROJECT/PLAN		
Energy and water consumption	Electricity (grid), consumption level _____ KW/year Electricity (generator), consumption level _____ KW/year	
	Water (purchased from the State), consumption level _____ Quantity/year ☐ Water (self- extracted), consumption level _____ Quantity/year	
	Other energy (please specify if any): _____	
Raw materials for the Project / Plan	The main raw materials used for production or operation (electricity, water , natural materials, etc.):	
	Do the main materials used comply with legal regulations (including local regulations)?	
Does the current project /client and/or planned activities generate air and water emissions ?	Air pollution emissions: Are not Yes, emission source: _____	
	Discharge into the natural environment (e.g., rivers, lakes , oceans , soil): Are not Yes, where should the wastewater be discharged ?	

A2. ENVIRONMENTAL & SOCIAL INFORMATION FOR THE CLIENT/PROJECT/PLAN (CONTINUED)

Current and/or planned projects/clients that generate solid waste , dust, and other emissions. Is there any noise?	Hazardous waste /chemicals: ☐ Yes ☒ No Is there medical waste? ☐ Yes ☒ No Recyclable waste : ☐ Yes ☒ No Remove dust/noise: ☐ Yes ☒ no Yes, please specify the source of the noise and any nearby receiving devices: ☐ _____ ☐ _____
Total number of employees [including full- time , part-time , contract , or temporary workers]	Full time: Part- time : Temporary : Seasonal: Sign the contract:
Occupational safety and health	Rate of occupational diseases over the past 3 years: Are not ☐ Yes, specifically the case that arises _____
	Number of serious workplace accidents in the past 3 years: Are not ☐ Yes, specifically the following situations may arise: _____
	Fatal accidents [due to workplace safety] in the last 3 years: ☒ Are not ☐ Yes, specifically the following situations may arise: _____
Health and safety for the community	Fire and explosion incidents in the past 3 years: ☐ Are not ☒ Yes, specifically the following cases may arise: _____
	Product safety incidents over the past 3 years: ☒ Yes/No. ☐ If yes, please specify the circumstances that arise: _____
	Other incidents have occurred in the past 3 years: ☐ Yes/No. ☒ If yes, please specify the circumstances that arise: _____
Failure to comply with the law	The Client has experienced any legal compliance incidents (including lawsuits, disputes, legal prosecutions, warnings , administrative penalties from competent authorities , etc.) against the Client within the past 5 years regarding the environment , labor practices , occupational health and safety, and public health and safety : Are not ☐ Yes, specifically the following cases may arise: _____ Time : _____
Awards , certificates of merit, and commendations for good practice and management of the social environment .	Have the customers ever received any awards or commendations for environmental protection and social responsibility? Are not ☐ Yes, specifically the following cases may arise: _____ Time : _____

PART NB - ASSESSMENT OF SOCIAL AND ENVIRONMENTAL IMPACT I

B1. COMPLY WITH ENVIRONMENTAL AND SOCIAL REGULATIONS

(Determined through review of legal documents and records regarding the social environment provided by the client)

Item	Evaluate	The difference
Has the project completed its Environmental Impact Assessment (EIA) report as required by law ?	Completed Not completed Not applicable An Environmental Impact Assessment (EIA) report must be prepared .	☐ Compliant Not complying with small distance requirements. (If the client is preparing a report but hasn't completed it yet because the project/activity hasn't started) Not complying with large distance requirements. (If the assessment concludes that the project/activity cannot be completed or has started without the approval of the relevant government agency regarding the Environmental Impact Assessment Report)
Has the Environmental Impact Assessment (EIA) report been approved by the competent authorities?	Approved Not approved	Compliant Not complying with the small distance requirement . (if it is in the approval process and is likely to be approved within a reasonable timeframe without significantly impacting the project's feasibility) Not yet compliant with large distances . (If not approved, the customer evaluation is unlikely to be approved)
Has the client been granted an environmental permit yet ? (In cases where the Customer is required to obtain a business license according to the law)	☐ Has it been done ? No Not applicable GPMT is required.	Compliant Not complying with the small distance requirement . (If the client is in the approval process and is likely to be approved within a reasonable timeframe without significantly impacting the project's feasibility) Not yet compliant with large distances . (If not approved, and the assessment makes it unlikely to be approved, or the activity/project has started without a valid GPMT)
Is the GPMT still valid ?	☐ Still valid ☐ Expired ☐ Not subject to the requirement of having a driver 's license.	Compliant Not complying with small distance requirements. (If the license has expired and the client is in the process of renewing the license) Not complying with large distance requirements. (If the license expires and the customer is unable to obtain a renewal)
Has the customer obtained a permit to transport / handle hazardous materials or goods (such as chemicals, other hazardous materials) ?	Has it been done ? No Not subject to the requirement of a transport permit . dangerous goods	Compliant Not yet compliant with large distances . (if the Customer has not already done so)
Is the permit for transporting / handling hazardous materials or goods still valid ?	Still valid Expired Not subject to the requirement of a Hazardous Goods Transport Permit .	Compliant Not yet compliant with large distances . (If the license has expired and the client is unable to obtain a new license)

B1. COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL REGULATIONS I

(Determined through review of legal documents and records regarding the social environment provided by the client)

Item	Evaluate	The difference
Has the client prepared the environmental report as required by the authorities ?	☐ Reported ☐ Not reported ☐ Not applicable A report must be prepared.	☒ Compliant ☐ Not complying with the small distance requirement (If the client is preparing and submitting a report to the authorities) ☐ Not yet compliant with large distance requirements (If the client is unable to submit the report)
Does the customer have a fire safety permit and/or inspection certificate from the fire safety authority?	Has it been done ? No	☐ Compliant with requirements (If the customer does not yet have the permit but is applying for it and expects to receive it in the near future) ☐ Not complying with the small distance requirement ☐ (If the customer assessment indicates that obtaining a license is unlikely)
Is the fire safety permit/ inspection still valid ?	Still valid Expired	☐ Not yet compliant with large distance requirements (If the license is no longer valid and the client is in the process of renewing the license) ☐ Compliant with requirements ☐ Not complying with the small distance requirement . (If the assessment shows that the customer is unlikely to be granted a license renewal)

B2. IMPACT OF THE PROJECT/PLAN ON THE SOCIAL ENVIRONMENT

(The items below were determined through customer observation/field visits and/or interviews with relevant individuals.)

B2.1. Conservation of natural resources and pollution control.

KH has implemented energy-saving measures / solutions . any? (Heat recovery from condensed steam, multistage evaporation method...)	☐ Yes, please specify which method the client will/has used : ☐ Not yet when the project /plan It hasn't gone into operation yet. No, find out why: _____	
[In the case of emissions of exhaust gases, wastewater discharge, and treatment of hazardous waste as stipulated in Section A.....] Does KH have measures in place to control pollution? Emission control Wastewater treatment (discharge) Storage of hazardous waste Medical/Inpatient care (on-site) and treatment (out-of - site) Quality management and recycling common disposal Noise control	Completed Not completed	☒ Compliant ☐ Not complying with the small distance requirement (If the customer has low emissions/gas emissions and control measures will be applied for a short period of time) (If the customer does not implement controls for the disposal and treatment of hazardous waste or has inadequate controls for the emission/treatment of significant waste)

B2.1. Conservation of natural resources and pollution control (continued)

Item	Evaluate	The difference
Does the company have a method /system to manage hazardous goods stored / used at its facility ?	Not classified as hazardous goods [1] Has it been done ? No	Compliant Not complying with small distance (If the customer has already done so but the system is not yet complete or fully functional)
[Applies only to customers with hazardous goods] Is the system/ facility for handling hazardous goods maintained in accordance with the requirements/conditions of the license?	Yes No	requirements. Not complying with large (if the client is unable to implement control measures) distance requirements. (If already started but incomplete, and assessed as capable of completion) Compliant Not complying with small distance (If not all requirements/conditions are met)
Is the fire safety system / facility maintained /operated in accordance with the requirements and regulations of the competent authority ?	Yes No	requirements. Not complying with large (If steps have been taken but are incomplete, and completion is possible) distance requirements. (if not all requirements/conditions are met)

B2.2. Labor and working conditions

Does KH comply with current regulations regarding employment practices ?	Employment contract : Yes/No	Compliant
Minimum wage	Yes No	Not complying with small distance (if not complete and the client has a small number of employees)
Overtime pay: Yes/ No		
Working hours	Yes No	requirements. Not complying with large (if all regulations are not fully complied with)
Social insurance	Yes No	distance requirements.
Health insurance	Yes No	
Are not		
Yes, specifically : ...		
Does KH use child labor or forced labor?		(if ng is used)

[1] According to the appendix listing hazardous chemicals in Decision No. 26/2016/QĐ-TTg promulgating the Regulations on responding to chemical incidents dated July 1, 2016.

B2.2. Labor and working conditions

Item	Evaluate	The difference
If the employer provides accommodation for employees, is that housing facility safe ?	Ensure safety Unsafe, specifically : ...	— Compliant — Not yet compliant with large distances . (If the customer has already done so but the system is not yet complete or fully functional)
Does the company have a policy for handling employee complaints?	— Yes — No	Compliant — Not complying with the small distance requirement . (if no policy has been implemented yet)

B2.3. Occupational safety and health management

The company provides personal protective equipment for its workers to ensure safety . Workplace safety (such as equipment) Wash hands, disinfect hands, wear boots, shoes, or sandals before entering the food production area ; wear personal protective clothing, a hat, specialized gloves, and a mask . Is this page for people directly involved in food production?	— Have No, find out why: ...	— Compliant Not complying with small distance requirements. (if deemed poorly equipped) Not complying with large distance requirements. (if not adequately equipped and deemed to pose a safety risk to workers)
Does the client 's workplace ensure the following factors? The building structure is safe (no signs of danger such as subsidence or serious deterioration); Cleanliness is • ensured; adequate • lighting is provided for the work area. • Soundproofed (if applicable)	— Have No, be more specific : ...	— Compliant Not complying with the small distance requirement . (if deemed incomplete and can be quickly rectified) Not yet compliant with large distances . (if the building structure is deemed unsafe)

B2.3. Occupational safety and health management

	Evaluate	The difference
The company has appropriate safety measures in place to prevent potential incidents (if any) caused by: • Fall ; • Injuries caused by moving heavy objects; • Injuries caused by machinery and equipment. • Dangers of working in confined spaces; • Dangers of working in isolated environments ; • Injuries caused by Hazardous liquid spilled out; • No one .	Have No, be more specific : ...	Compliant Not complying with the small distance requirement . (if assessed as already present but incomplete and quickly rectified) Not yet compliant with large distances . (if the customer has not taken and will not take any measures to prevent it)
Are fire safety systems/equipment installed and maintained at the workplace, including: • Fire alarm; Emergency exit; • Fire extinguisher ; • Fire fighting equipment; • Emergency response plan.	Have No, to be more specific : ...	Compliant Not complying with the small distance requirement . (if assessed as already present but incomplete and quickly rectified) Not yet compliant with large distances . (if the customer has not taken and will not take any measures to prevent it)
Are employee housing facilities (if provided by the client) equipped with and maintained appropriate fire safety measures, including: • Fire alarm; Emergency exit; • Fire extinguisher ; • Fire fighting equipment; • Emergency response plan.	Have	Compliant Not complying with the small distance requirement . (if assessed as already present but incomplete and quickly rectified) Not yet compliant with large distances . (if the customer has not taken and will not take any measures to prevent it)

B2.3. Occupational safety and health management (continued)		
Item	Evaluate	The difference
Are workers given guidance /training on occupational safety and health ?	Yes No	Compliant Not complying with the small distance requirement . (if not already trained)
B2.4. Biodiversity, resettlement, ethnic minorities, and cultural heritage.		
The activities of the company will/have a devastating impact on natural environments . [2] and are the living organisms preserved ?	A. Causing the disappearance or destruction of the habitat of certain specific species/species protected under the provisions of the law. B. There is a decline / change in the habitat of native /endemic species, but this does not lead to the disappearance of endemic/protected species as stipulated by law. C. It does not affect endemic /protected species as stipulated by law.	Compliant (if you choose Option C) Not complying with small distance requirements. (if you choose Option B) Not complying with large distance requirements. (if you choose Option A)
Are ethnic minorities and indigenous peoples directly or indirectly affected by the Project /Business Plan (due to resettlement , land use , employment)?	A. Yes, but no mitigation measures have been implemented as required by law or by central / local government agencies . B. Yes, but mitigation measures have been implemented in accordance with the law or the requirements of state management agencies at the central /local level . Specifically :... C. Are not.	Compliant (if you choose Option B or C) Not yet compliant with large distances . (if you choose Option A)

[2] A natural ecological environment includes areas of land and water where ecosystems are formed by natural species of plants and animals, and where human activities do not alter their basic ecological functions. Natural ecosystems include forests, swamps, grasslands, coral reefs, etc.

B2.4. Biodiversity, resettlement, ethnic minorities and cultural heritage (continued)

Item	Evaluate	The difference
Customer activity will/will have an impact on the movement. Does cultural heritage have historical , archaeological , or religious significance?	— A. Yes, but no mitigation measures have been implemented as required by law or by central / local government agencies . B. Yes, but mitigation measures have been implemented in accordance with the law or the requirements of state management agencies at the central /local level . Specifically :... C. Are not. —	Compliant (if you choose Option B or C) — Not yet compliant with large distances . (if you choose Option A)
Does the project /business plan involve land acquisition and the development of a resettlement action plan and/or livelihood restoration plan for those whose land has been acquired within the past 5 years?	— A. Land has been expropriated , but no Resettlement Action Plan and/or Livelihood Restoration Plan has been developed or implemented in accordance with the law or by central / local government agencies for those whose land has been expropriated . B. Land acquisition and a Resettlement Action Plan and/or Livelihood Restoration Plan are developed or implemented in accordance with the provisions of law or by central / local state management agencies for those whose land is acquired . C. No land will be reclaimed.	Compliant (if you choose Option B or C) Not yet compliant with large distances . (if you choose Option A)
Are there any cases where forced land reclamation is necessary? (if the project involves land acquisition)	A. There are cases where land is forcibly reclaimed . B. There are cases where land has not yet been handed over to the project /business plan due to disagreements over compensation prices. C. There were no cases of forced land reclamation; the land had been handed over and there were no complaints or lawsuits.	Compliant (if you choose Option C) Not complying with the small distance requirement (if you choose Option B) (if you choose Option A)

RESEARCH SECTION -

Compliance assessment	— Not complying with large distance requirements — Not complying with small distance requirements - Complying ----- How to determine: • When at least one criterion in Part B is assessed as " not compliant with a large margin " • When at least one criterion in Part B is assessed as " not in compliance with " small distance • When all criteria in Part B are assessed as " Compliant "
Classification of risk	Based on the assessment and classification of socio-economic risks of the Project /Business Plan . — High risk (Type A) — Medium risk (Type B) — Low risk (Type C) ----- Assess the socio-environmental risks and the feasibility of implementing measures to mitigate / reduce these risks .
	• Measures for managing risks to the Project /Business Plan (including the implementation of the Environmental and Social Impact Remediation Action Plan in Section D below): • Additional content should be included in the Customer 's Commitment regarding compliance with environmental and social issues in the Credit Agreement /Commitment Document (if any). • Other suggestions:

PART I - ACTION PLAN TO MITIGATE SOCIAL IMPACTS

No.	The issue of non-compliance with social and environmental regulations.	Corrective action	Completion deadline	The results achieved	Note

....., day ... /
**CUSTOMER RELATIONS
SPECIALIST**
(Sign and print your full name)

....., day ... /
**Head of Customer
Relations Department /
Branch Manager**
(Sign and print your full name)

- Note:**
- The client must provide a copy of the relevant permits/approval decisions from the competent authorities attached to this evaluation form.
 - For the most recent periodic reports/inspection reports with the competent authorities that the customer is required to submit, the Bank officer will review, collect the reports (copies or scanned files) and record the information. This is considered evidence from the field investigation process.

ENVIRONMENTAL & SOCIAL RISK ASSESSMENT OF THE CREDIT ASSESSMENT DEPARTMENT/CREDIT ASSESSMENT CENTER

Base:

- Credit files are handled by the Customer Relationship Department/Branch. _____ provide.
- Content of the assessment in the Social Environment Assessment Form No. _____ of the Customer Relations Department/Branch _____

EVALUATION BY THE TRAINING DEPARTMENT/TRAINING CENTER

Does the proposed business project / plan for credit allocation fall under the exclusion list and activities restricted in terms of social and environmental issues as stipulated by SHB?	Yes, specifically : ☐ Are not
Compliance assessment	☐ Not compliant with large distance ☐ Not compliant with small distance ☐ Compliant
Classification of the socio-economic risks of the Project /Business Plan	☐ High risk (Type A) ☐ Medium risk (Type B) ☐ Low risk (Type C)
Assess the socio-environmental risks and the feasibility of implementing measures to mitigate / reduce these risks .	
Propose	- Measures to manage risks for the Project /Business Plan (including evaluating business unit/customer relationship proposals and adding more if necessary): _____ - Additional content to be included in the Customer 's Commitment regarding compliance with environmental and social issues in the Credit Agreement /Commitment Document (if any): _____ - Other suggestions: _____ _____

....., day ... /

**PHYSICAL EDUCATION
SPECIALIST**

(Sign and print your full name)

....., day ... /

**TP TĐTD/ Director of the Training
Center**

(Sign and print your full name)



3.3. MAKE A DECISION

Decision-making is a crucial step in ensuring that loans are granted not only based on financial analysis but also take into account all environmental and social risks. To accomplish this effectively, the decision-making tools in this document are designed to provide the specific conditions and commitments necessary to manage and mitigate environmental and social risks.



Form:

Form BM3/MTXH - Social and Environmental Action Plan (ESAP): This is a tool used to develop specific action plans to mitigate the socio-environmental risks identified during the assessment process. This plan includes the steps, responsibilities, and timeframe required to

- implement the necessary measures.

Form BM4/MTXH - Customer Commitment:

This tool verifies customer commitments regarding compliance with environmental and social standards. This commitment plays a crucial role in ensuring that the client will fully implement the agreed-upon risk management measures.

Reference Appendix:

PL07/MTXH - Template for Terms of Reference for Environmental Assessment Consultants (TOR): This appendix provides a sample terms of reference for environmental and social assessment consultations. It provides guidance on the standards and requirements necessary for conducting consultations accurately and effectively, ensuring that all environmental and social factors are fully considered in the decision-making process.

-

This set of tools helps ensure that credit decisions not only meet financial requirements but also comply with environmental and social standards and commitments, contributing to the sustainable and responsible development of SHB and its customers.

BM03/MTXH
SOCIAL AND ENVIRONMENTAL ACTION PLAN

(ENVIRONMENTAL SOCIAL ACTION PLAN - ESAP)

(For customers who, at the time of assessment, have not fully complied with the legal requirements and SHB's regulations on social responsibility, and who can remedy this through the corrective actions below)

I. PLAN CONTENTS

Name of the customer requesting credit:

Industry/Field:

Tax identification number:

No.	Social risks are identified [1]	Corrective action [2]	Required achievements	Completion /Monitoring Index [3]	Time frame [4]	Completion date	Responsibilities [5]
1	Comply with environmental laws and regulations.						
2	Comply with labor laws and regulations.						
3	Occupational Health and Safety Compliance						
4	Climate change, energy, protection of natural resources and biodiversity.						

[1] The recommendations and actions identified in the ESDD report must be compiled and summarized into an ESAP by the Client that can be easily referenced for implementation and monitoring.

[2] Actions aimed at narrowing the gap are identified in the ESDD report.

[3] The expected product/outcome demonstrates that the action has been completed.

[4] Deadline for completion. Temporary goals for complex actions.

[5] Level responsible for implementation

No.	Social risks are identified [1]	Corrective action [2]	Required achievements	Completion /Monitoring Index [3]	Time frame [4]	Completion date	Responsibilities [5]
5	Comply with public security and safety regulations.						
6	Land acquisition, relocation, resettlement, and indigenous ethnic minorities.						
7	Compliance with cultural heritage impact						
8	Other socio-environmental risks						

II. CONFIRM

I/We commit to implementing the Action Plan to mitigate environmental and social risks and ensuring its progress according to the plan outlined above, under the supervision of SHB.

....., day ... /

AUTHORIZED REPRESENTATIVE OF THE CLIENT

(Sign and print your full name)



3.4. MONITORING SOCIAL RISKS AFTER CREDIT PROVISION

Post-disbursement monitoring is a crucial step in ensuring that environmental and social commitments are fully and effectively implemented. The monitoring toolset provides methods and tools for continuously monitoring and evaluating the impacts of credit extensions.

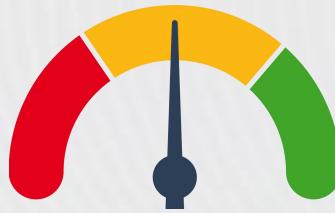
Monitoring frequency: (i) Regular monitoring depending on the level of socio-economic risk classification; and (ii) Unscheduled monitoring when required.



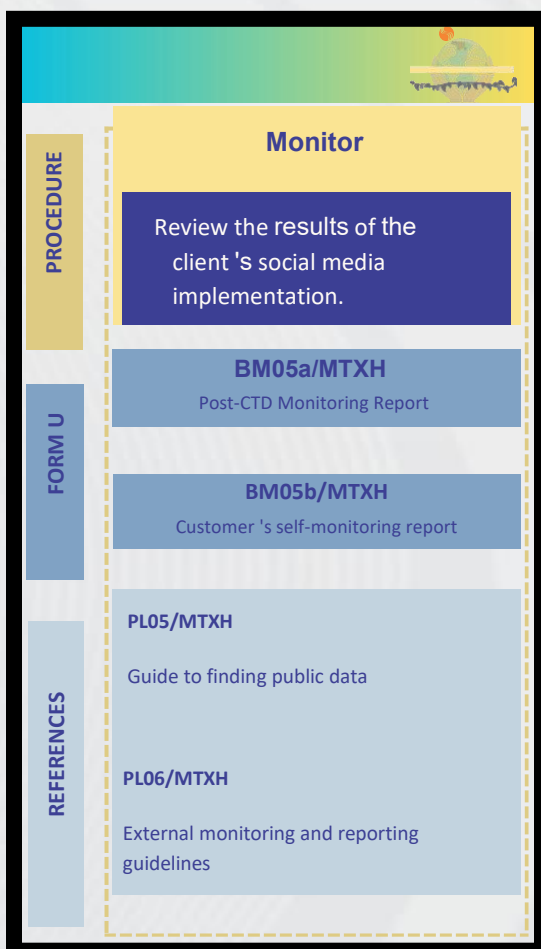
At least twice a year

(with the participation of a Social

Environment Expert at least once a year)



At least once a year



Form:

- Form BM05a/MTXH - Post-Credit Monitoring Report: This form is used to record and report the results of periodic monitoring after credit is granted. It helps banks monitor the progress of projects or activities, assess compliance with environmental and social commitments, and identify issues that need to be addressed.

- Form BM05b/MTXH - Self-monitoring report of This allows customers to self-assess and report on their fulfillment of environmental and social commitments during the use of credit, helping the bank identify and manage related issues from the customer's side.

Reference Appendix:

- PL05/MTXH - Guide to finding publicly available data: This guide covers relevant public data sources, how to collect and analyze information, and tools to assist in data retrieval.
- PL07/MTXH - Guidelines for external monitoring and reporting: Ensure that both the bank and its customers fulfill reporting requirements in a transparent and complete manner.

The post-credit social monitoring toolkit is a crucial part of ensuring that projects and financial activities are implemented sustainably and responsibly. We believe that the adoption of these forms and guidelines will support banks in effectively monitoring and managing their clients' environmental and social commitments.



BM05a/MTXH
POST-CREDIT SOCIAL AND ENVIRONMENTAL MONITORING REPORT

(E&S Monitoring Report)

PART I - CUSTOMER AND PROJECT/BUSINESS PLAN INFORMATION		
1. The customer requested CTD.	Customer name:	CIF
2. Project proposal CTD	Project /Business Plan Name:	Industry/ Field :
	Purpose of the credit request [Project investment /Additional working capital for what purpose]:	Amount of credit granted:
	Location [of project /business operation]:	Assessment number : _____ Day: ____/____/_____
3. Client 's Social Media Officer	Name of person in charge:	Phone: E-mail:

PART II - MONITORING THE IMPLEMENTATION OF SOCIAL RISK REMEDIATION

No.	The issue of non-compliance with social and environmental regulations.	Corrective action	Completion deadline	The results achieved	Note
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PART III - COMPLIANCE WITH LEGAL REGULATIONS ON THE SOCIAL ENVIRONMENT

No.	Customer Review Content	Results		Note
		Yes	No	
	Review with SHB's Exclusion List			
	Considering SHB's limited operations			
	Status of compliance with the Environmental Protection Law and related regulations			
	Compliance status with Labor Law and related regulations			
	Complaints/claims related to Occupational Safety and Health			
	Compliance status with other laws and regulations regarding the social environment.			

PART IV - SOCIAL INCIDENTS OR ACCIDENTS

	The lawsuit involves social media, legal prosecution, and litigation against the client.			
	Complaints related to social issues from external parties, including the public.			
	Negative news about social media, media reports, or the public.			

PART NV - EVALUATION OF MONITORING RESULTS AND RECOMMENDATIONS

The customer fully complies with Vietnamese laws and regulations on social and environmental protection and its social and environmental commitments with SHB.

- The customer has not fully complied with Vietnamese laws and regulations regarding the social environment and its commitments.

MTXH with SHB. Recommendations for corrective action to be taken by the Customer include:

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

....., day ... /

EVALUATION OFFICER

(Sign and print your full name)

....., day ... /

BUSINESS UNIT MANAGER

(Sign and print your full name)

....., day ... /

CUSTOMER COMMITMENT

(Sign and print your full name)

Note:

- Bank staff only need to review the most recent periodic report, collect the reports (copies or scanned files), and record the information. This is considered evidence of the actual customer verification process after credit is granted.

BM05b/MTXH

INTERNAL SOCIAL AND ENVIRONMENTAL MONITORING REPORT

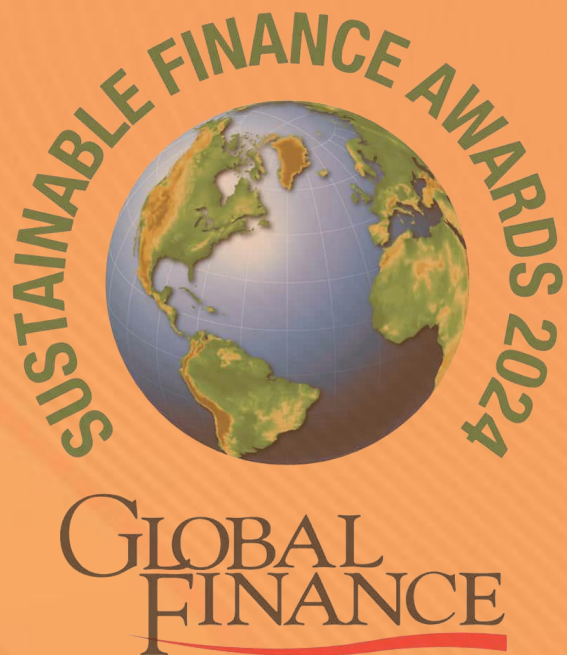
(E&S Self-Monitoring Report)

Customers provide SHB with a Self-Monitoring Report on Social and Human Resources activities so that SHB can assess the effectiveness of the Customer's social and human resources activities in relation to the commitments made in the contract agreement related to the credit transaction. This requires the customer to "Update Status" in the ESAP document and provide updated information on the progress of each relevant ESAP item.

No.	Reference distance in ESDD	Act	Advantage	Responsibility	Timeframe	Completion/ Monitoring Index	Update status
1	X	Actions aimed at narrowing the gap are defined in the ESDD report.	• Low • Medium •	The staff are responsible and functional .	Deadline for implementation Temporary goals for complex actions	The expected product/outcome shows that the action has been completed.	

“ SHB is honored to receive the "Best Sustainable Financing Bank" award for two consecutive years (2023 and 2024) from Global Finance. This award affirms SHB's position in developing financial solutions.

This will provide sustainable and effective support, while also contributing to the promotion of green and social projects with long-term value.



At the same time, in 2023, Asia Money awarded SHB the "Best ESG Impact Bank" award. This award recognizes the bank's significant contributions to environmental and community protection.

Leading in ESG implementation gives SHB the opportunity to contribute directly to the transformation process not only in the financial services industry but also to promote the adoption of ESG in other industries through the provision of sustainable finance.

”