

# 2021 ANNUAL IMPACT REPORT ENVIRONMENTAL AND SOCIAL IMPACT



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#### PARTNER MESSAGE

Over the past two years, Mekong Capital has reinvented the way we relate to E&S.



"We discovered that we had to shift how we relate to E&S: not as something forced on us by our LPs, but rather our shared commitment with our LPs."

Mekong Capital first incorporated Environmental and Social (E&S) requirements into our investment process in 2006. Until early 2020, E&S commitments were a check-the-box exercise given to us by certain LPs and something we had to do to qualify for their participation in our Funds. We related to it as a "have-to-do". While it seems almost ridiculous to us now, it was no surprise that back then, we communicated that same view to our investees: This was something they "had-to-do" in order to get investment from our Funds. When we conducted the annual E&S audits at our investee companies, those E&S practices and commitments they had made when we invested often would evaporate from daily practice. It always felt like a struggle to keep pulling it back into place and a big push to remind certain investees to comply with E&S requirements every year.

In early 2020, we decided we had to do something different to truly deliver long-lasting results. We fully knew that E&S is the right thing to do and important for risk mitigation. Nevertheless, "knowing" did not transfer into durable results at our investee companies. We discovered that we had to shift how we relate to E&S: not as something forced on us by our LPs, but rather our shared commitment with our LPs. It then quickly became clear that if we start communicating E&S principles as our shared commitment with LPs, then naturally it also becomes a shared commitment with our investee companies.

Since making that shift, we have changed how we language our whole process. For instance, we no longer call our annual E&S inspection of investee companies an "audit" but rather a "health check". Why? Because we connect with our investee companies in a way that we share the same commitment; it is no longer something we need to police or enforce with audits. Before we invest, we did not inform our investee companies that they must implement certain standards, we invited them to share the commitment with us. We observed and discussed how excellence in E&S drives revenue growth from customers who respect how our companies run their businesses, rather than something we do to mitigate risks.

This report is to provide you with a deeper insight into this shift at Mekong Capital as well as how our investee companies are taking actions to implement their E&S management system. We present in this report four case studies which we consider examples of leadership in implementing E&S management system. We also include stories on how our new connection with E&S has evolved within our work and through the work with our investee companies. If you have any further questions about what we have discovered on our recent journey, please feel free to contact us at any time. We are eager to support other GPs to have the same discovery that we had.

Sincerely yours,

Chad Ovel Partner

#### 1. OUR E&S APPROACH

#### Our E&S Mission

To contribute to the sustainable development of companies that the Funds invest in by effectively managing E&S risks and impacts associated with the Funds' investments. Key factors taken into consideration include:

#### **Environmental factors**

- Climate change
- Pollution prevention & control
- Biodiversity
- Land acquisition

#### **Social factors**

- Occupational health & safety
- Community health & safety
- Labor standards
- Working conditions
- Gender equality
- Human rights
- Indigenous people
- Culture heritage

#### **Our Belief**

Leveraging ontological leadership and the Vision Driven Investing ("VDI") framework for empowering other leaders and organizations to fulfill their visions for sustainability, leaving the earth in a sustainable balance for our children and future generations.

#### **Our E&S Policy**

Maximizing positive E&S impacts and avoiding, minimizing and mitigating negative E&S impacts and risks require careful governance and proactiveness by Mekong Capital and by the Funds' investee companies. The E&S Policy defines Mekong Capital's commitments in this regard and explains how they are implemented.

#### **Standards We Refer to**

- 1. National and Local Laws.
- 2. IFC's E&S Performance Standards.
- 3. ADB's Social and Safeguard Requirements.
- 4. World Bank Group EHS Guidelines.

#### **Managing E&S Risks**

Our investee companies are assigned an E&S Categorization at the appraisal stage and annually based on the E&S health check. It ranges from Category A (high risk) to Category C (low risk). Our investee companies are expected to develop E&S risk identification and management programs to address these risks.



#### 2. OUR E&S MANAGEMENT SYSTEM



#### **Pre-investment**

- We ensure that all E&S risks are identified, and mitigation measures are proposed according to our applicable requirements. We engage external consultants to support with E&S due diligence as needed.
- We secure that the potential investee companies are committed to the E&S requirements in legal documents before closing the transactions.

#### **Post-investment**

- E&S risks are mitigated per an agreed timeline in a Corrective Action Plan (CAP) and investee companies are inspired to continuously enhance their E&S Management System (ESMS) to ensure their long-term sustainability.
- We conduct annual E&S health check at investee companies to monitor the E&S performance via documentation collection, site visits, and interviews with employees and management.

#### **Training**

- E&S training sessions are conducted annually for our E&S Team and Investment Team.
- The E&S Team took training on IFC ESMS, IFC Performance Standards, and KWF DEG Sustainability training.
- The Investment Team took training on Mekong Capital's ESMS, E&S risks and impacts at investee companies, Sustainability Maturity Model, and investment roles in upholding E&S procedures, and the Exclusion List.



#### 3. 2021: E&S IMPACT IN NUMBERS

14
Vietnamese companies invested by MEF III and MEF IV

new ESMS created to address E&S risks and impacts

100% investees appointed E&S Officers

35 mil clients served across many industries

17,802 jobs created in 2021 (total number of employees) 10,160 women employed (57% of total employees)

## **Environmental objectives that our investees are organized around**

Pollution prevention	All investees
Energy and fuel efficiency	ABA, Nhat Tin
Sustainable supply chain	4P's, Marou

### Social objectives that our investees are organized around

Access to financial services	F88
Access to education	YOLA
Health improvement	LiveSpo, Pharmacity, Gene Solutions, Vua Nem
Food security and food safety	ABA, Marou, 4P's, RedWok
Employment generation	All investees
Equality and empowerment	All investees
Workers' right and human's right	All investees
Income/productivity growth	All investees



# 4. OUR STORY

Our lessons learned in implementing E&S



#### 4.1. Our Shift in Perspective

E&S requirements were incorporated into our investment process in 2006, as per our investors' requests. For 14 years thereafter, E&S duties had been assigned as additional responsibilities to some of our Partners and the investor relations team. We developed an E&S policy and an ESMS with procedures to ensure a full compliance with applicable requirements, as requested by our investors.

#### **Our discovery**

Over many years, since E&S was introduced to Mekong Capital in 2006, we related to E&S as a compliance checklist. We built procedures and processes to monitor our investees so that we could avoid risks. We conducted E&S due diligence so that we could check off a box in our investment procedures. We conducted E&S reports because our investors said so. E&S was **FOR OUR INVESTORS**.

In 2020, we realized that we experienced a lack of ownership when implementing ESMS. We felt being pushed and chased by reporting deadlines. We were **DISEMPOWERED**. We were disconnected from the true purpose of E&S commitment, which is to create a positive and long-lasting impact on people and the environment. This would be a misalignment with our shared personal purpose: to create a healthy and sustainable environment for the next generations.

Facing this, a shift happened. We powerfully chose:

## "Sustainability is a shared commitment with LPs that we CHOOSE to commit to."

#### ESG in a new perspective

The new perspective transformed the way E&S is implemented at Mekong Capital. No longer being a check-the-box compliance item, E&S became our commitment. In this new light, an important milestone was marked: the birth of **Mekong Capital's ESG Vision 2025**.



#### **VISION 2025**



ESG

We reinvent Environment, Social and Corporate Governance (ESG) from the world of commitment and enrollment. Each investee company creates and enrolls themselves in an ESG vision which connects the personal values of a critical mass of their team members. From that committed vision, they create ESG policies, KPIs, and monitoring systems which will lead to the fulfillment of that vision. They utilize any ESG breakdowns as opportunities for breakthroughs towards the fulfillment of their committed ESG vision. Rather than being forced to comply with someone else's ESG rules, their personal commitment to the ESG vision naturally pulls them into action.

We redefine ESG to no longer a compliance issue and turn ESG into a value added realm. We connect ESG to the company's vision and how the two fits with each other and feed power to each other. We make responsible investments and enable companies to grow sustainably. Our companies are responsible for their employees, the community, and the environment.

Furthermore, we established a Sustainability Department, which was launched out from the previous Operations Department. We hired our first full-time employee for the Sustainability Department, taking responsibilities of implementing ESMS at Mekong Capital and our investee companies. The ESMS and E&S internal training were changed to reflect our new E&S commitment. We are also publishing this first sustainability report, capturing our journey implementing ESMS in 2021 and our lessons learned.

Since then, we opened a new chapter as a continuous journey where we reinvent time after time to fulfill our E&S purpose: to create a positive and long-lasting impact on people and the environment.

In short, we transformed from a "Responsible Investor" who avoids harm and risk, to a "Sustainable Investor" who creates positive impacts on various stakeholders.





#### 4.2. New Roadmap to Our New Commitments

Written by Khue Ngo, Senior Sustainability Officer

#### Hi, my name is Khue!

I joined Mekong Capital in late 2020, taking on the role of implementing E&S policy and strategies. This has been my dream job since I was 5 years old. I grew up watching my father help vulnerable communities in the Mekong delta, whose lives were severely impacted by climate change. This fuels my life purpose to create sustainable prosperity for the world by helping the less fortunate and preserving the nature. I found that my personal purpose was well aligned with the direction that Mekong Capital was going towards, in which the destination was ESG Vision 2025, but...



#### Going on a treasure hunt

When I started onboarding, I followed existing procedures and practices.

For my first annual audit, I took reference to "past" communication, "past" format, and "past" procedures – a past where E&S was for our investors and was just about checking off a compliance checklist.

I could feel that something was missing. The assignments that I finished seemed to be trivial. My sense of achievement, despite the size of the project, was lacking. My goal was to accomplish the ESG Vision 2025, but I could not measure the impact of my work on that goal. I felt like going on a treasure hunt, with a promising destination but no map leading to it, no idea of how far I have gone, or whether I was even heading in the right direction.

That was when I realized that a goal without a roadmap cannot be achieved. At that moment, I decided that there needs to be clear elements of the Vision and clear milestones to achieve it.

#### **Treasure found!**

(1) Using the E&S standards from IFC, I defined the 4 elements of E&S. From that moment forward, when E&S is mentioned, here is what it means:



4a Performance Standard	<b>≡</b> Name	<b>■</b> Intention
PS1: Management	E&S Management System (ESMS)	Identify and evaluate E&S risks and impacts and enhance E&S performance.
FS2: Human	Labour and Working Conditions	Protect the safety and health of employees and promote fair treatment.
M PS3: Environment	Pollution Prevention and Resource Efficiency	Avoid/minimize pollution and promote sustainable use of resources.
PS4: Community	Community Health, Safety & Security	Ensure the safety and health of affected communities.

#### (2) I developed an E&S Maturity Model with 6 levels.

With the new framework, I now have a plan and clear KPIs of what to do every year to achieve my goal. Furthermore, the maturity model allows me to assess investee companies more thoroughly compared to the previous 'yes or no' compliance checklist. Now, investees' E&S performance can be precisely measured, and their E&S milestones can be clearly explored and defined. Business Intelligence Dashboards are created for the first time to track their performances. When I observe our investees progressing from one level to another, I can feel a strong sense of achievement, which reminds me of why I care about E&S in the first place.





# 4.3. How Do We Implement E&S at Our Investee Companies?

#### **E&S** due diligence

One of our investee companies, Mutosi, is in the business of assembling and distributing household appliances. We first visited Mutosi facilities in March 2021 for an E&S due diligence. From the site visit, we noted that Mutosi's awareness about E&S was limited. For Mekong Capital's Fund to invest in this company, a lot of improvements needed to be done: developing a full ESMS, assembling an E&S team, and implementing all written E&S procedures. As part of the E&S due diligence, a detailed Corrective Action Plan (CAP) was issued to address all gaps between Mutosi's operation at that time and Mekong Capital's E&S standards. We were responsible for leading the change at Mutosi.

#### **Critical moment**

Then comes a critical yet nerve-wracking stage of the E&S due diligence that we had to face: getting the alignment from Mr. Tran Trung Dung, Mutosi's CEO and Founder, on implementing all line items in the proposed CAP. Here are the two ways our meeting with him can go:

#### Option 1: E&S as a compliance checklist Option 2: E&S as a shared commitment

Mutosi, you have to do this because our investors required so.

- ☑ ESMS?
- ☑ HR policy?
- ☑ Waste management program?If these items take too much time, we have templates here that you can use.

We do not want to be your police in this journey of developing E&S policy and strategies. For us, E&S is a commitment that we own and share with our investors. We choose this because E&S reflects our own personal purpose. If you also choose to share this commitment, we can be your partner.

E&S policy? Here is the intention of it...

We would encourage you to really look at the intention of each procedure and develop as you see fit with your company.

How would you feel if you are the CEO of Mutosi, listening to option 1 vs. option 2? We chose option 2, as you might know, but we did not know how it would land on Mr. Dung and Mutosi team.



#### **Unexpected outcomes**

To our pleasant surprise, Mr. Dung experienced a shift in his perspective on E&S. He saw that the vision of Mutosi can be supported by having a strong ESMS. He declared that E&S is a commitment that Mutosi shares with Mekong Capital. In a follow-up meeting, we observed that some team members felt hesitant about one of the CAP items: setting up a waste management system. They did not think that they had a lot of waste to manage, thus, waste management was not important. Before we got a chance to speak up, Mr. Dung took leadership on implementing E&S. He explained to his team the intention and importance of having such a system. In the last meeting on the CAP implementation, we were so happy to see that Mutosi finished the CAP with integrity.

On 23 March 2022, we got a message from Mutosi saying that the company received <u>ISO 14001</u> for their standardized Environmental Management System. This was not an easy, almost impossible, certification for Mutosi to achieve if they have not done any improvements to their ESMS according to the CAP. We were taken by surprise because the certification was never on the CAP list. Under Mr. Dung's leadership, Mutosi went above and beyond to have their environmental management certified. ISO 14001 is not the end goal but is the first milestone that the company did in sharing their COMMITMENT to E&S with Mekong Capital.



# 5. IMPACT STORIES

Impacts that our investees created for people and the environment

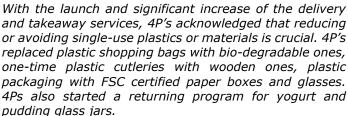


Sustainability, ESG, and CSR are becoming more popular concepts and sometimes overused as buzz words for businesses. However, they do not live in the DNA of most companies, but rather as an initiative, a one-off occasion. That is not the case for 4P's. How does a company look like when Sustainability is alive, when the commitment to the Earth and to People is part of the mission?

At every step, impacts are considered and measured. That is the key element in building a strong ESMS. With the Vision of "Make the World Smile for Peace", 4P's acknowledged the importance of Sustainability and actively implements E&S programs throughout the whole value chain, from picking the right ingredients to managing wastes. The following will show a full picture of how Sustainability commitment is ALIVE in an organization look like.



4P's chose to work with organic farmers and grow their own herbs sustainably in-house. Rather than importing cheese from foreign countries, 4P's built their own cheese factory in Lam Dong province. In 2021, the company started to use cage-free eggs for all restaurants in Ho Chi Minh City and Da Nang. "Sustainable food procurement" became one of the KPIs of the Procurement Department in 2021.

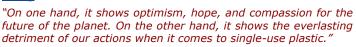






Waste management is a big question in environmental management for a restaurant chain. In 2021, 4P's conducted a full data analysis on types of waste generated to properly apply 3R (reduce, reuse, recycle) for packaging waste and composting (using worms or black soldier flies) for food waste. 4P's Cambodia, which opened in 2021, is the first restaurant built with an integrated zero-waste

The spirit of sustainability does not just stop within the company's operations. In 2020, 4P's sponsored an art project called "Letters to the future" which collected singleuse plastics to make a book of letters to the next generations with the mission to raise awareness about the environment pollution due to plastics. [Link to the book here]









To their employees, F88 offers so much more than a job with a stable income. F88 built a welcoming, professional, and innovative workplace for young people with less traditional backgrounds (switch careers, do not have higher education degrees). F88 offers a place where employees are EMPOWERED to be their best selves.

#### Say hello to some of F88's employees



Tran Huy Quang is currently the Northern Sales Director. At the age of 28, after about 6 years working with an engineering job, Quang decided to switch career to sales. He has been at F88 for 5 years, starting at a sales staff position in Hanoi.



Pham Viet Anh is the Regional Manager for the area of Thanh Hoa province. Viet Anh grew up in Thanh Hoa, moved to Hanoi for college at the age of 18, and then worked at a local bank. He left his job as a debt collector at the bank and started working at F88 in 2018, where he found a place that he was truely committed to.

#### What is more than a job with a stable income?

In addition to well-defined career tracks, F88 has mentorship for young employees. For the first 26 years of his life, Viet Anh had often gravitated towards fun, and he joined F88 only because of his peers' recommendations. He had neither a career plan nor any long-term commitments. His first year at F88 was not easy as he made some mistakes that would delay his work progression for at least 6 months. Because he had supportive mentors who rooted for his success, rather than quitting, Viet Anh owned up to his mistakes and took the consequences. That was the moment Viet Anh changed: he started to commit, and he chose to develop his career at F88 with support from his mentors. "To be honest, my parents were disappointed to see me quit the banking job. However, when they saw how much I have grown thanks to F88, they were happy. Now, my family trusts F88 and wants my younger brother to also work at F88.", Viet Anh shared.

Along with clear career growth opportunities, F88 provides free technical training and classes for all employees to address their skill gaps. This is especially meaningful for employees with little to zero background in sales. With no experience in sales, Quang improved his skills and his knowledge thanks to the classes that F88 offered. He got promoted to be a Store Manager within a month and a half, then to a Regional Manager in 10 months, and Northern Sales Director 3 years after that, which is so far the fastest progression in the company. Quang now helps many of his colleagues to take the training and classes to progress in their career pathways.

"Be the boss" is the biggest employee value proposition at F88. It means that everyone at F88 is the owner of their work, their deliverables. They own their relationships and their knowledge. This value is well communicated throughout the whole organization, from the highest to the lowest level. Ownership also literally means ownership of the company - as F88 offers the ESOP to employees starting from the store manager level.

Last but not least, what is more than a job with a stable income is a job with a competitive salary. In 2021, F88 was awarded P50, meaning that F88 was among the top 50 financial institutions that have the most competitive salary in Vietnam.

#### Scaling up

Over the 5 years since F88 started to focus on employee empowerment, F88 has employed and developed almost 4,000 people in total, with many of them in their 20s. With the goal of hiring an additional 2,000 employees by the end of 2023, F88 will continue to empower and change the lives of many more young Vietnamese.







#### **Energy consumption**

In the cold chain logistics industry, energy cost takes up a big chunk of operating expenses. "The cold warehouse runs on electricity 24/7", said Mr. Yen Nguyen – Head of Business Unit at ABA. According to Mr. Yen, energy accounts for around 20% of the Saigon 1 Warehouse's operating cost. Prior to 2020, 100% of the energy ABA used was from the national grid. In Vietnam, it is reported that 90% of national grid are from non-renewable sources.

Every year, ABA consumed 2,172,000 kWh. Looking at an environmental lens, this consumption is estimated to emit around 1,746 tons of CO2 to

the environment indirectly through using energy from the national grid.

#### Why solar energy?

The Government of Vietnam, with their commitment at COP 26 to transition energy source from fossil fuel to renewable sources, initiated multiple incentives for businesses to install solar panels on their facilities such as warehouses and factories. In response to this movement, ABA decided to transition to solar energy. Initially, this was mainly a financial decision. The top 3 key determinants for whether ABA would proceed with this project were (1) return on investment, (2) capital capability, and (3) associated risks.

After careful analysis, ABA decided that installing a solar power system was a financially beneficial project. The 1-Megawatt project was estimated to power 20% of the cold warehouse energy demand. With the monetary support from the Government, this project could be expected to break even in 5 to 6 years, and it could start generating profits after year 6, assuming the lifespan of the cold warehouse is 20 years.

#### **Operating the solar panels**

ABA experienced ease in installing and maintaining the solar panels, confirming that the associated (operational) risk is nearly zero. In addition, the actual power that the panels generated is as expected in the analysis, which further proves the financial capability of the project.

#### Is there something more?

After the installation, in additional to financial benefits. ABA started recognize positive environmental impacts that the project created. The company sees the environmental initiatives as not something costly, but rather something economical (and even profitable) for the long-term vision of the company. A wave of similar-minded initiatives starts to ripple through ABA. Highlights include installing solar panels in the ETC Warehouse in Hanoi, installing mini solar panels on top of delivery trucks, and designing effective transportation routes to save gas. While they have not all been



approved, they opened up **new possibilities for more environmental and financial process improvements**.





"Our approach to making chocolate is simple and transparent: we buy cacao from Vietnamese farmers; our most important partners. Next, we transform the cacao beans into chocolate bars at our factory; we do everything so that our team care about the product they're making as much as we care about them. We're committed to ensuring that the whole cacao-to-chocolate value chain is strong, socially responsible and environmentally sustainable." - Marou's website.



To bring the best chocolate to end customers, Marou commits to building a sustainable supply chain of cacao for their products. Here are some highlights of Marou's sustainable value chain of cacao, with the focus on their suppliers, Vietnamese cacao farmers and fermenters.

#### Long-term relationship with suppliers

All the cacao used is sourced directly from the same small farmers and fermenters that Marou has worked with for the past 10 years. Marou, together with their farmers, learned about how to control fermentation in each province to achieve the consistent bold flavors that each Marou bar is known for. Marou highly values the relationship with their suppliers, as they have a sourcing and technical advisor team to help farmers produce cacao effectively.

#### Financial support to farmers

The price of cacao that Marou pays farmers (higher than commodity price and fair-trade floor price) represents the relationship Marou sees with their suppliers: a long-term commitment to producing high-quality cacao. Beyond paying above the fair-trade price, Marou also supports suppliers financially with a range of interest-free loans, advances, and direct monetary contributions.



- Average yearly price of Marou (USD/Ton)
- Commodity price (USD/Ton)
- Fairtrade floor price (USD/Ton)

My proudest moment working at Marou was when cacao farmers told me that they were surprised with how Marou helped them by giving seedlings and technical support. I can feel the warmth of their affection whenever I travel to meet with farmers.



Mr. Le Hong Pham, Technical Advisor team lead



#### Cacao seminars

The Technical Advisor team, led by Mr. Pham, hold Cacao seminars for farmers to share about how to grow cacao productively, while being environmentally sustainable and socially responsible. In 2021, Marou brought farmers and fermenters from small provinces to Ho Chi Minh City to visit the factory and enjoy Marou chocolate products to see the fruit of their labor.

In 2022, up to now Marou has trained 122 farmers via Seminars so far, having awareness of gender equality, health and safety in farming and ensuring sustainable farming practices. After events, farmers has been receiving technical documents as cacao manual and brochures which facilitate farmer's knowledge at farm, besides one-to-one coaching for farmers conducting by agronomic teams frequently.



With aims of securing and expanding cacao area, Marou has been delivering more than 47,000 seedlings in total to farmers recently. In the end of May, 2022, Marou have just completed distributing 11,120 seedlings to farmers in Ben Tre and Tien Giang.





#### Mekong Capital's support

Since Mekong Capital invested in Marou, the E&S practices at Marou took a step up in systemizing their commitment to their employees, the environment, and surrounding communities. Upon receiving the E&S due diligence results, which Marou called a "health check", Marou embraced it wholeheartedly and used it as a learning opportunity. A full ESMS was developed with risks identified throughout the whole production chain; a wastewater management system was constructed, and a new and well-qualified factory manager was hired, with consultation support from Mekong Capital.



# 6. CONTINUE OUR JOURNEY

Other exciting sustainability initiatives we have done and are doing

# 6.1. We Supported People in Ho Chi Minh City During COVID-19 Food Crisis



Ho Chi Minh City went through the highest wave of COVID-19 started in July 2021. Ho Chi Minh City was fully locked down on 9 July, with traditional markets totally closed. This created a crash in the food supply chain as supermarkets were the only available sources of food. With low stock, prices of all food rocketed. Facing that, Ms. Minh Giang, our Partner, discussed with Mr. Bui Ta Hoang Vu, Director of the Ho Chi Minh City Department of Industry and Trade, to create a solution.

On the same day, Mekong Capital initiated a campaign called "vegetables and fruits" and coordinated with 18 local businesses, including ABA Cooltrans, Nhat Tin, HSV Group, Pharmacity, YOLA, F88, Con Cung, the Guardian, Vinshop, etc. (many of them are in our ecosystem) to create multiple additional points of sale to sell stabilized priced groceries. Our team members supported local businesses in building their distribution system, from getting local authorities' approval to transporting, storing, and selling goods.



CONG HOA XA HOI CHÚ NOHIA VIỆT NAM
BOO LOP - VI do - HOND PHUC

CHỦ TỊCH

ỦY BAN NHÂN DÂN THÀNH PHỐ HỔ CHÍ MINH

TẶNG

BĂNG KHEN

CONG TY TRACH NHIỆM HỮU HAN TƯ VẮN MỆK NGC APȚIAL

Để có thành tiết xuất sực trong công tác phòng, chồng dịch Covid - 19
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Phân Văn Mài.

In November 2021, Mekong Capital received a Certificate of Achievement from the HCMC People's Committee for this collaboration effort.

After 1 week of the campaign, the food crisis was relieved, with the below results:

1,000 points of sale/day on peak days100 tons of vegetables consumed/dayPrices dropped by 10-30 percent



# 6.2. We are Targeting to Be B Corp Certified by the End of 2022

Our intention in joining the B Corp movement is to have a framework that visualizes our commitment to sustainability, to be a leader and cause leadership in our investees, to continuously improve our ESMS, and to share inspiring stories about sustainability and empower others in our ecosystem.

In July 2021, we submitted our B impact assessment and started our application to be a B Corp certified organization.

While we are in the queue for the evaluation process, we have already used the B impact assessment to start environmental initiatives in our offices.

#### 6.3. Mekong Earth and Forest Fund

With our commitment to secure a sustainable future to the planet, we are in the process of launching a new fund that is impact and climate driven, called *Mekong Earth and Forest Fund*.

With this Fund, by 2030, we will nurture a well-balanced biodiverse ecosystem in the Mekong region (Vietnam, Laos, Cambodia, and Thailand) via sustainable forestry and farming practices that are both organic and sustainable.

Our investment partnerships are so successful that they become role models and the subject of stories that are widely circulated and inspire others to be responsible for a green and healthy planet.





#### **CONTACT US**

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For any inquiries regarding E&S, please contact:

#### Ngo Minh Khue

Senior Sustainability Officer

Khue is responsible for (i) turning E&S strategy into processes, guidelines and action plans and (ii) ensuring E&S processes, guidelines actions are implemented properly. In addition, Khue is also adding values to further enhance the E&S Management System at investee companies of Mekong Capital's Funds.

