



## KEY ISSUES



### RULES OF DETERMINING OF KEY ISSUES

The Hoa Sen Group’s sustainable development report of fiscal year 2016 – 2017 is prepared within the fluctuations of steel industry in Vietnam and international markets with critical competition. Therefore, the report focuses on issues that could overcome losses from market, and offers efficient solutions to ensure the Group’s operations are always sustainable development.

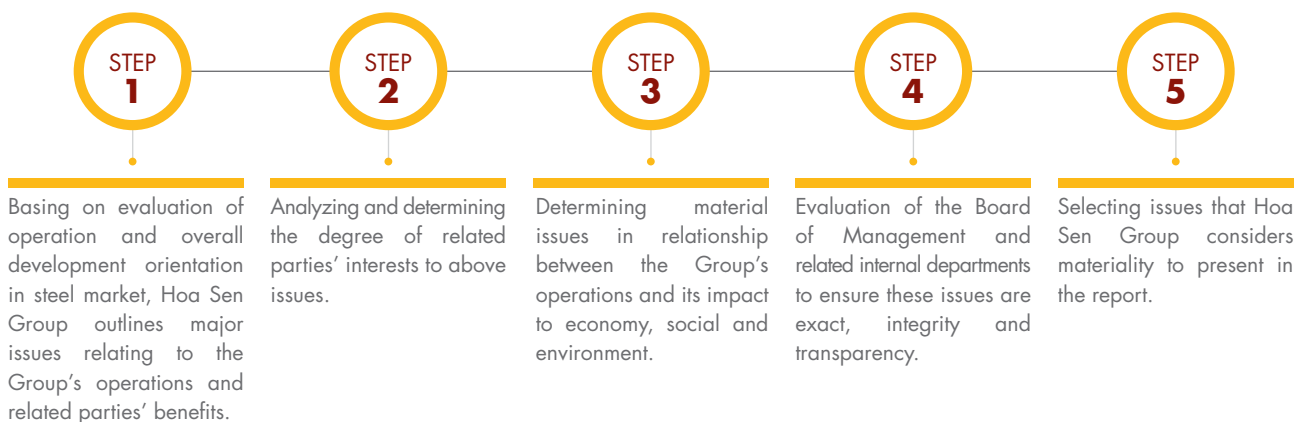
In fiscal year 2016 – 2017, the sustainable development report is prepared by assessing material issues that relating economy, social, environment to the Group’s operations as well as satisfying related parties’ demand. Determining correctly material issues is very important that ensure the best benefits of related parties. This also is foundation for fulfilling sustainable development report’s contents in the following fiscal years.

### DETERMINATION OF KEY ISSUES

- Examining the level of concern and expectation of related parties based on demand, performance and feedback during the Group’s production and trading process, supply’s process to markets, interaction with related parties.
- Basing on evaluation, internal control of functional departments, the Board of Management, in periodic and extraordinary meetings, approves reports, budget planning that is suitable to actual development situation in each fiscal year.
- Approving evaluation minutes, supervision reports of State authorities.
- Reviewing customer’s evaluation and feedback, consultant organization during cooperation with Hoa Sen Group.
- Considering forecast reports of macroeconomic, domestic and international steel industry issuing by economic organization, foreign finance institution, etc.

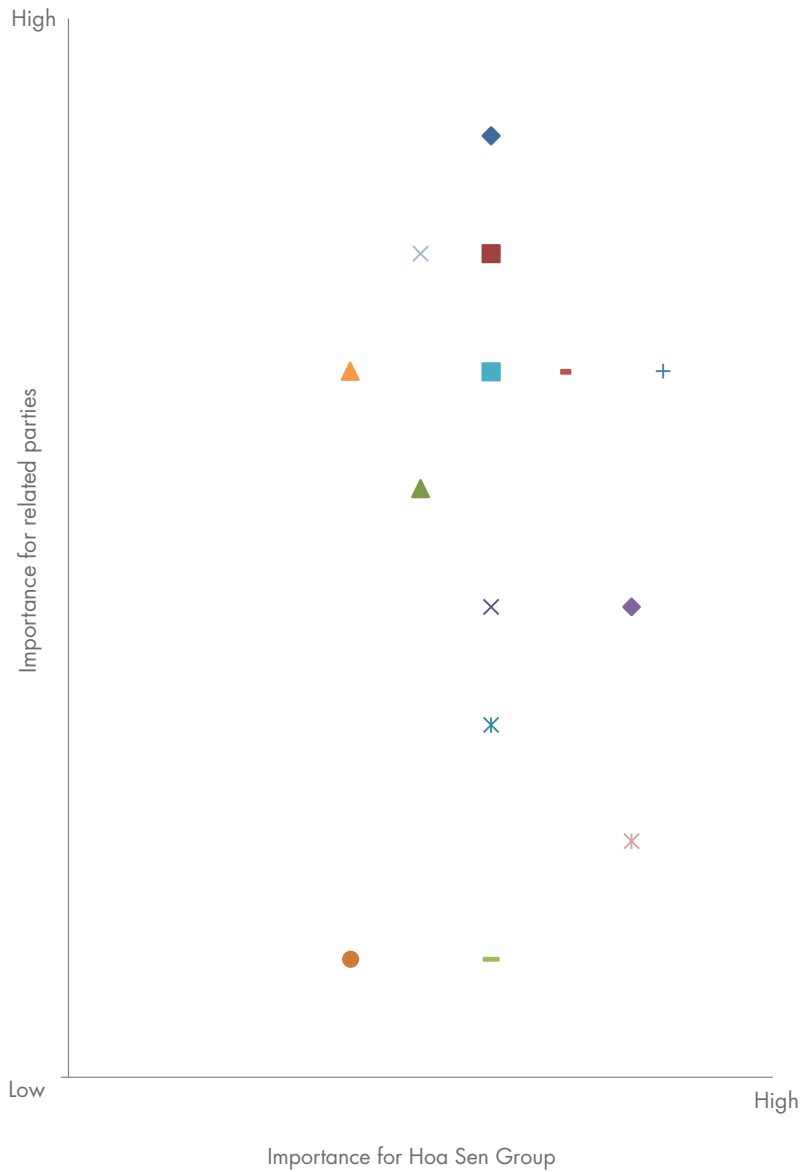
### PROCEDURE TO ASSESS KEY ISSUES

Procedure to assess issues is prepared by Hoa Sen Group as the following steps:



## MAJOR IMPACT ASSESSMENT OF IMPORTANT ISSUES OF RELATED PARTIES AND TO HOA SEN GROUP

MATRIX OF THE MATERIAL ISSUES' ASSESSMENT



- ◆ water
- Air quality
- ▲ Energy
- × Material
- ✖ By-products
- Recycling
- +
- Safety and Health
- Education and Training
- Local Community
- ▲ Investment Efficiency
- ◆ Research and Development
- × Science and Technology Appliance
- ✖ Supply Chain