



VIETNAM OIL AND GAS GROUP
BINHSON REFINING AND PETROCHEMICAL JOINT STOCK COMPANY



**LEADERSHIP CHALLENGES
TO SHAPE WITH VISION AND STRATEGY FOR DEVELOPMENT
OF GREEN AND CLEAN ENERGY AT DZUNG QUAT REFINERY**

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at the 41st JCCP International Symposium



BSR OVERVIEW



CHALLENGES



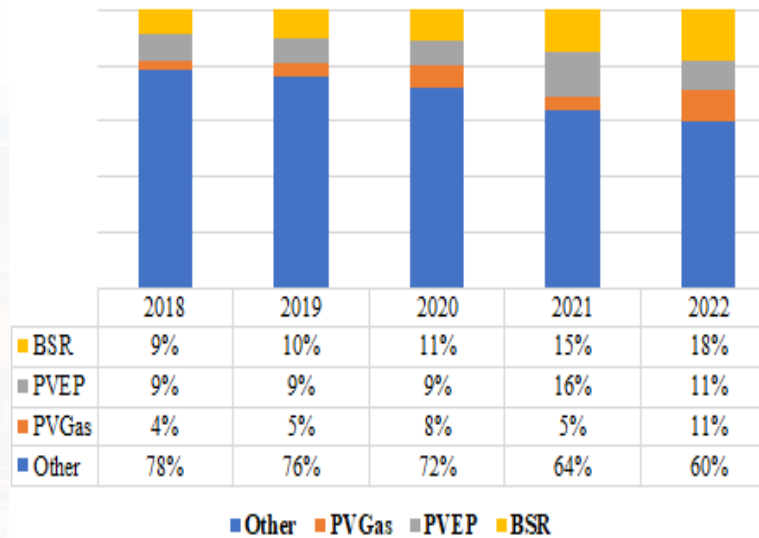
STRATEGY FOR THE FUTURE



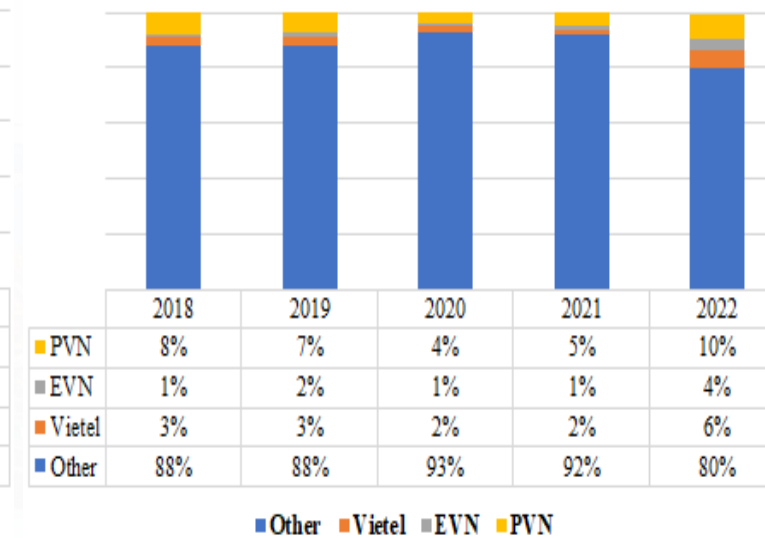
- Investor:** Vietnam Oil and Gas Group
- Location:** Quang Ngai Province – Center of Vietnam
- Area:** 956 hecta – Future expansion: 140 hecta
- Design capacity:** 6.5 million tons crude oil/year
- Actual capacity:** 105% - 112% design capacity
- Crude Oil:** ~ 85% domestic, 15% import
- Products:** 97.5% Refining Fuels (Mogas RON 92/95, Diesel, FO, Jet A1, LPG), 2.5% Petrochemicals (Polypropylene)
- Manpower:** 1.515 leaders and employees
- BSR's Process Safety Management:** RBPS CCPS 20 elements
- Safe working hours:** over 37 million.

BSR is amongst the largest contributors to growth of PetroVietnam (PVN) and Vietnam economy

PVN's budget contribution by subsidiaries (%)



State budget contribution by PVN and SOEs



TOTAL PRODUCT SALE



83.5 million tons

TOTAL REVENUE



60.5 billions \$

STATE BUDGET CONTRIBUTION



8.7 billions \$

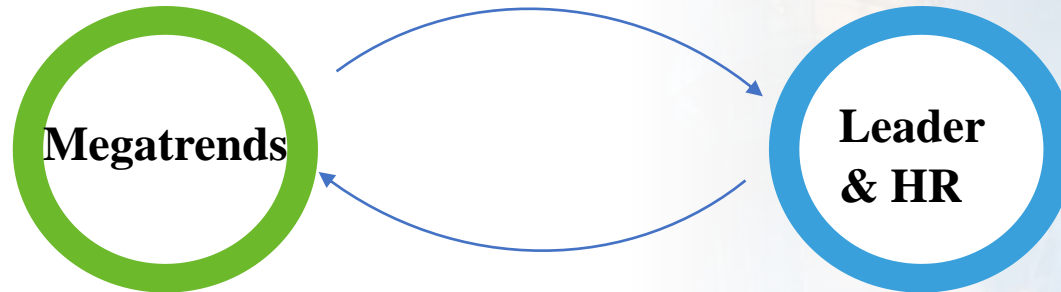
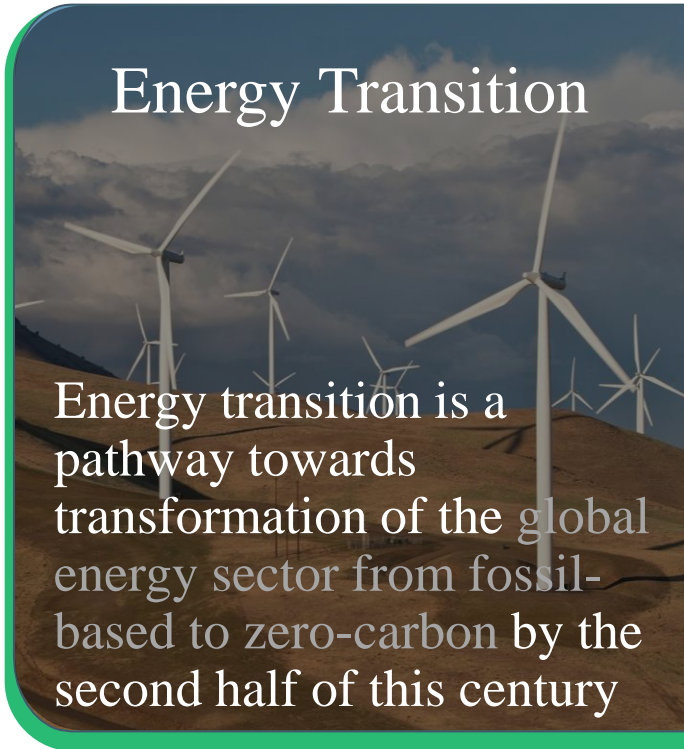
TOTAL PROFIT AFTER TAX



1.78 billions \$



The energy transition is shaping consumer and regulatory behavior, significantly impact the Oil and Gas Value chain



Increasing adoption of Electric Vehicles

Create career and development strategies to develop leadership

Growing engagement with renewables

Become advisor and partners for leadership team.

Tightening emissions and efficiency regulatory standards

Talent management



Vietnam has committed to developing climate action plan to achieve net-zero carbon emissions by 2050

Vietnam's climate action commitment

BSR to support:

Key concerns for Vietnam



Worsening air pollution large cities, especially Ha Noi and Ho Chi Minh.



Threat of rising sea levels due to climate change especially in the most vulnerable regions in South Vietnam



Heavy dependence on coal and may double the amount of coal-fired electric generation by 2030



Transitioning from fossil fuel to green/clean renewable energy sources



Reduction of greenhouse gas emissions



Step up adoption of digital economy to address climate change



PR campaigns for public and businesses to increased awareness and support for the government's COP26 commitments



Sustainable management including using forest and increasing trees to offset carbon emissions



Others.

CHALLENGES – GREEN HR IN ENERGY TRANSITION

Green HR encompasses HR policies that help protect and preserve natural resources. Building a sustainable organization with green HR practices is beneficial:

- ❖ **Promotes green values:** Improving employees' knowledge and understanding of environmental values leads to more sustainable lifestyles.
- ❖ **Instills green behavior:** Employees can learn eco-friendly habits in the office or factory environment, such as saving paper and energy resources.
- ❖ **Increases green commitment:** Employees who feel a high level of responsibility for preserving the environment are committed to implementing the company's green business concept and following measures to increase efficiency, save electricity, reduce waste and fulfill their environmental responsibilities.
- ❖ **Creates positive company image:** Employees feel proud to join a company committed to the environment that is not only growing economically but also fulfilling its sustainability responsibilities.
- ❖ **Attracts job candidates:** People like to be associated with a business that is respectful of the environment and its employees, meaning such a business attracts more candidates.





Accelerated transitions towards renewable energy re-emphasized by PDP8

1

Vietnam announced notable environmental commitments in COP26 conference...

- 2030 Cut methane emissions by 30% by 2030¹
- 2050 Achieve net-zero emissions

As a follow-up, a Notice² was issued identifying 8 areas of focus for implementing Vietnam's COP26 commitments, including:

- Conversion from fossil fuel to green energy sources
- Reduction of GHG emissions
- Reduction of methane emissions
- R&D and use of electric vehicles

2

... synchronized with Draft PDP8's direction:

	Sep'21 Draft PDP8	May'22 Draft PDP8
% wind & solar	40%	59%
% coal-fired	15-19%	10%

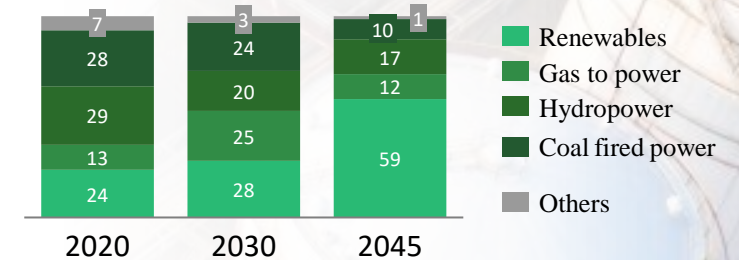
The latest PDP8 targets drastic reductions in CO2 emissions, proposing:

- Diversifying into renewable sources
- Reducing reliance on fossil fuels & foregoing coal-fired power plant projects

3

..and announcement reflecting ambition to transition into renewable energy

Draft PDP8's Total power plant capacity contribution (%)



Vietnam's Draft Power Development Plan (PDP) 8:

- Increasing focus on thermal power, hydro, LNG...
- ...while curtailing development of solar power

Implications for BSR Continuously implement emission monitoring & management measures

Explore opportunities in renewable energy & green hydrogen

Notes: (1) Compared to 2020 level (2) Notice no.30/TB-VPCP, released on Jan 30, 2020 by the Vietnam government (3) Carbon emission trading scheme

Source: COP26 Announcements, PDP8, Press Search

Source: BSR - BCG Analysis





BSR STRATEGY FOR THE FUTURE

Vision

“Being Asia’s leading integrated energy company for sustainable development”

Mission

Energy trilemma achievement Central Vietnam Socio-economic development Enhancing shareholder value Boosting customer experience Holistic employee development

Core values

Integrity Professionalism Solidarity Creativity Effectiveness

2022-2025 Strengthen the core

2025-2030 Accelerate Adjacencies

2030-2045 Explore new opportunities

Strategic Thrust

Operating optimization

Digital transformation

High-value CAPEX projects

Refined products expansion/diversification

Renewable Energy/ Increase energy efficiency

Importing Clean Electricity from National Grid

Petrochemicals value chain expansion/diversification

CO2 emission reduction projects (CCUS, afforestation)

Clean hydrogen

Enablers

Digitalization

Talent

Supported by strong enablers

Financing

Sustainability

Risk Management





BSR opportunities to build green energy credentials with integrator role across emerging green technologies

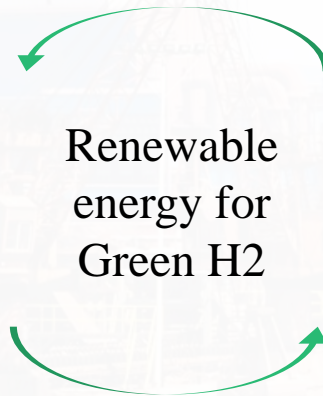
Integrator across technologies and value chain

Strategic partnerships that support integrator role



Solar PV/ Offshore wind

Build up expertise and experience in large-scale RE projects with solar PV and offshore wind business, covering project development to business operations excellence



Green Hydrogen

Initial integration at scale with captive demand and nearby off-takers

Leverage existing position in RE play with excess RE production at low-cost

Low carbon delivery



- Foundation to strengthen **relationships with government and potential clients**, while building energy transition credentials to secure DPPA and long-term offtake agreements



BSR STRATEGY FOR THE FUTURE – TALENT MANAGEMENT

- ❖ Establish the organization’s goals and objectives.
- ❖ Develop organizational leaders with leadership skills.
- ❖ Focus on cultural compatibility and engagement, promote mentoring and interventions.
- ❖ Provide opportunities for advancement in career with succession planning and retention.
- ❖ Standardize the strategy for talent review and onboarding processes.
- ❖ Develop and standardize training programs, facilities, and learning organization.
- ❖ Track and measure performance.
- ❖ Recognize and reward top performers with initiatives.
- ❖ Apply salary and remuneration policies for internal experts and high-quality personnel.
- ❖ Create a holistic employee experience and adopt a flexible attitude at work.





BSR looks forward to inviting partners/investors to contribute solutions and invest/deploy the green roadmap for BSR, some potential collaborations:

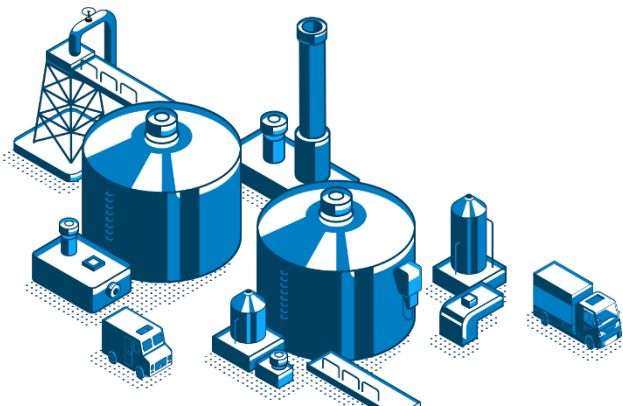
Growth & Innovation

- 🔥 Build **business cases** for solar, wind and green hydrogen opportunities.
- 🔥 Focused effort on **commercial development of renewables business** including pricing, customer acquisition and key business infrastructure.



Investments/financing

- 🔥 Potential **JV partners/acquisition targets** to support growth
- 🔥 Support **debt financing deals** through domestic and international banks
- 🔥 Develop frameworks and structure for **new financial instruments such as green bonds**





THANK YOU FOR YOUR ATTENTION

