

CENTURY SYNTHETIC FIBER CORPORATION

Headquarter Add: B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City
Tel: [+84.8 3790 7565](tel:+84.8.3790.7565) | Fax: [+84.8 3790 7566](tel:+84.8.3790.7566)

Branch Add: Street 8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province
Tel: [+84.66 389 9537](tel:+84.66.389.9537) | Fax: [+84.66 389 9536](tel:+84.66.389.9536)

Representative office Add: 102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City

SUSTAINABLE DEVELOPMENT REPORT | Century Synthetic Fiber Corporation

SUSTAINABLE DEVELOPMENT REPORT 2016



INTRODUCTION

Company's name	Century Synthetic Fiber Corporation
Trading name	Century Corp
Stock quote	STK
Headquarter	B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City
Branch	Street 8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province
Representative office	102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City
Chartered Capital	VND 535,160,240,000
Telephone	+84.8 3790 7565 +84.66 389 9537
Fax	+84.8 3790 7566 +84.66 389 9536
Email	csf@century.vn
Website	www.theky.vn
Tax Registration Number	0302018927





MESSAGE ON SUSTAINABLE DEVELOPMENT

Dear Esteemed Shareholders, Customers, Partners and Stakeholders,

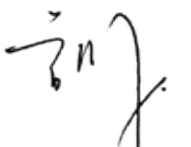
Sustainable Development Strategy of Century Synthetic Fiber Corporation ("STK") is to balance economic growth with social growth and environmental protection in order to ensure the Company's long-term growth. Besides the goal of economic development such as capital preservation and growth of profitability, STK also sets up the social development goals related to people and communities and protects the environment in order to improve the environment and prevent the exhaustion of the resources.

Therefore, the business operation of STK always adheres to the following principles:

- Encourage the compliance with ethical rules and best practices;
- Provide a safe working environment, health care and promotion opportunities for the employees;
- Encourage cultural diversity and equality in the workplace;
- To reduce the negative impacts on the environment;
- Create the development opportunities for local economy, society and communities.

2016 was a difficult year for fiber industry, in general, and STK, in particular. However, STK is still steadfast to its sustainable development model. Continuing our efforts in building up good cooperate governance and environmentally friendly production, in 2016, we have made some progress in improving our code of conducts, establishing the foundation for risk management and establishment of internal audit and remuneration and promotion subcommittees under the Board of Directors, and especially launching recycled yarn to the market. We firmly believe that, with all employees' great efforts together with stakeholders' active supports, STK will continue to achieve stable growth in the future.

Chairman



Dang Trieu Hoa

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ABBREVIATION

BOD	The Board of Directors	ILO	International Labor Organization
CIT	Corporate Income Tax	MSDS	Material Safety Data Sheet
DTY	Draw Textured Yarn	POC	Plant Operation Center
EAT	Earnings After Tax	POY	Partially Oriented Yarn
ERP	Enterprise Resource Planning	QC	Quality Control
FDY	Fully Drawn Yarn	REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
FTA	Free Trade Agreement	SOP	Standard Operation Procedures
GPS	Generalized Systems of Preferences	STK, CENTURY, Company	Century Synthetic Fiber Corporation
GRI	Global Reporting Initiative	TPP	Trans-Pacific Partnership
GRS	Global Recycle Standard	USD	US Dollar
EVFTA	Europe – Vietnam Free Trade Area	VCOSA	Vietnam Cotton and Spinning Association
HEPZA	Ho Chi Minh City Export Processing and Industrial Zones Authority	VND	Vietnam Dong

VISION – MISSION



VISION

To become a worldwide leading pioneer in the textile sector and developing into multi-business fields relevant with our core business.



MISSION

We adopt an advanced and environmentally friendly technology and modern management system, build up professional team and positive innovation corporate culture to contribute to our society, bring new and green products/services to the community by saving natural resource, energy and protecting natural environment.



OUR VALUES

We appreciate customers and always provide reasonable and profitable solutions to satisfy customers' requirements.

SERVING
CUSTOMERS

UNITING
OURSELVES

Each of Century Synthetic Fiber Corporation (CSF) members always cooperate and support each other to achieve the Company's goals.

We are never satisfied with the current achievements and longing for improvement in our performance, effectiveness and quality of life.

IMPROVING
CONTINUOUSLY

DEVELOPING
TOGETHER

CSF's development is aligned with the prosperity of our partners, our staffs and the community.



OUR COMMITMENTS

We always appreciate our customers. We take responsibility and initiatives and cooperate with each other in carrying out the works.

KEY MILESTONES

Established first factory at Cu Chi District.

STK was established on the 1st June 2000.

Main product: Draw Textured Yarn (DTY)

In the beginning, STK did not have a fully integrated production chain, but it must import Partially Oriented Yarn (POY) to produce DTY.

Initial designed capacity: 4,800 tons of DTY per year.

Completed fully-integrated chain

A POY workshop was put into operation in order to improve the Company's value chain and enhance its profitability. Self-production of POY was also aimed to reduce the Company's reliance on imported POY and especially the volatility of POY price and supply. The investment in POY workshop was a turning point in STK's development as with this move, STK became the first Vietnamese company making microfilament from imported polyester chips.

The Company completed the expansion and its production capacity rose to 14,500 tons of POY per year & 15,000 tons of DTY per year.



Investment of capacity expansion

STK continued investment to double capacity to 9,600 tons of DTY per year as it foresaw the strong increase in demand from the market as well as from the Company's customers.

Converted into Joint Stock Company – A strategic reform

On 11th April 2005, the Company was converted into a joint stock company and the name was changed to Century Synthetic Fiber Corporation. This strategic move enabled STK to diversify financing sources for its continuous expansion.

Officially listed on Ho Chi Minh Stock Exchange (HOSE), successfully develop new product “Recycled yarn”

Century shares are officially listed in HOSE on 30 December 2015. STK's brand reputation and market capitalization were enhanced;

On 18 September 2015, Trang Bang Factory – the third phase officially put into operation. The new factory has annual capacity of 15,000 tons of POY and 15,000 tons of DTY, raising the Company's total annual capacity to 52,000 tons of DTY and FDY per year by 2016. Beside auto-doping texturized machines manufactured by Oerlikon Barmag, a leading European group, the new factory is also equipped with a Plant Operation Center (“POC”).

Continue Trang Bang phase 4 expansion project, raising the Company's total capacity to 60,000 tons of DTY and FDY by the end of 2016.

The Company cooperated with US partner to successfully develop new product “Recycled yarn” from recycled chip, starting a first step of product diversification into value added products.

The Company is catching opportunities from new markets which have preferential tariffs under Free Trade Agreements (FTAs).

Catched up the fiber world's trend & opportunities

With an aim to catch the opportunities brought by inevitable relocation of garment and textile production from China to Vietnam and incremental growth brought by the Trans Pacific Pack as well as to optimize the Company's production scale, STK completed an expansion project for Trang Bang factory with a capital expenditure of USD 34.2 million. The new factory was equipped with automatic DTY machines, which use the state-of-art technology from Oerlikon Barmag, a leading European group.

Smooth raising capital: Successful Initial Public Offering (IPO) by issuing 3 million shares valued of VND 75 billion to public to finance Trang Bang Factory – the third phase.

Developed new product FDY (Fully Drawn Yarn) & Implemented management system ERP-SAP All in one

Construction of the new factory started on 28th Nov 2009 and it was put into the operation from 18th Jan 2011, adding an additional 11,000 tons of production capacity of DTY, POY per year.

Beside POY and DTY, STK also develop new product FDY to meet the demand of customer and market. This project raised the Company's entire capacity to 37,000 tons of DTY and FDY and 29,500 tons of POY per year.

In order to improve operating efficiency and business administration, since January 2012, STK implemented and put into operation an EPR provided by SAP for the Company's entire operation.

Building a platform for stable development

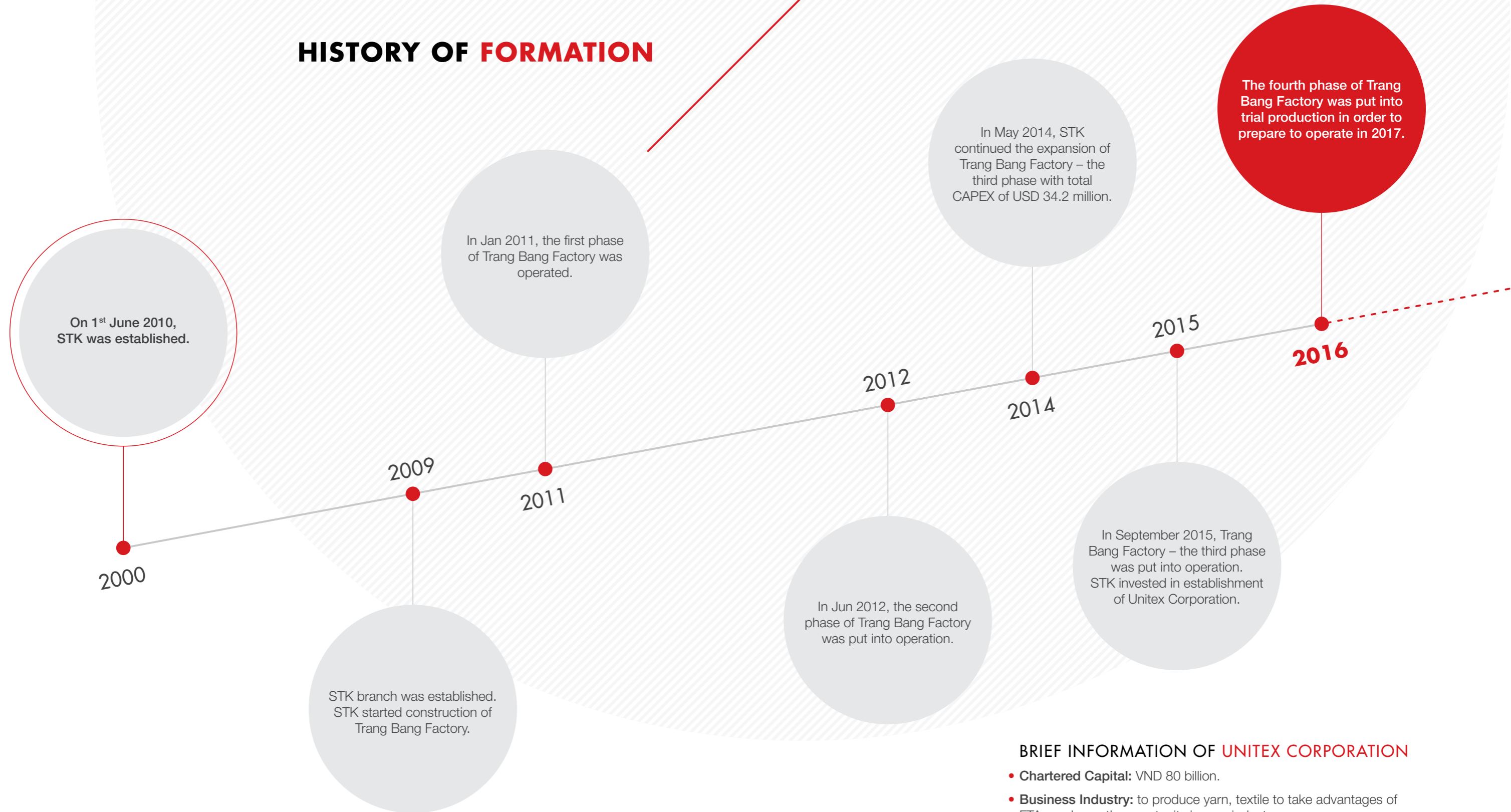
STK continued investment to expand Trang Bang factory in phase 4, raising total capacity of company to 60,000 tons of DTY and FDY per year by Quarter 1-2017.

The Company was granted by Control Union GRS 3.0 Certificate on production of recycled yarn.

The Company was granted by SGS a certification, confirming that its products conform to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) on using toxic chemical material as stipulated by European Chemical Agency.

A trademark licensing agreement regarding production of recycled yarn was signed between STK and a leading company in the sector and the Company started to sell this product in Vietnam's and international markets.

HISTORY OF FORMATION



BRIEF INFORMATION OF UNITEX CORPORATION

- **Chartered Capital:** VND 80 billion.
- **Business Industry:** to produce yarn, textile to take advantages of FTAs and growth opportunity in yarn industry.

AWARD & RANKING

2016

- 2016 Awarded the titles “Top 10 Annual Report 2016” and “Top 10 Sustainable Development Report” and “Outstanding Improvement Annual Report” by Ho Chi Minh City stock exchange.
- Awarded the title “100 Sustainable Business 2016” by Vietnam Chamber of Commerce and Industry.

2011

- Certificate of Merit from Vietnam Prime Minister in 2011 for “Outstanding achievements in attracting investment, development of industrial zones and contributing to HCMC’s social economic development”.

2010

- Certificate of Merit from HCMC Department of Labor, Invalids and Social Affairs in 2010 for “Outstanding achievements in social insurance and health insurance”.
- Certificate of Merit from the Ministry of Planning and Investment for “Outstanding achievements in attracting investment, development of the national economy in 2010”.

2009

- Certificate of Merit from HCMC People’s Committee for “Excellent Performance in 2009”.
- “Vietnam Trade Service Award – 2009” granted by the Ministry of Trade and Industry.

2008

- “Vietnam Trade Service Award – 2008” granted by the Ministry of Trade and Industry.
- Certificate of Merit from the Ministry of Trade and Industry for “Excellent Performance in 2008”.
- “Consumer Protection Medal” granted by the Vietnam Trademark Magazine – The Vietnam Union of Scientific and Technological Associations in 2008.
- Mr. Dang Trieu Hoa, CEO was voted as “Outstanding Entrepreneur 2008” by Vietnam Trademark Magazine - The Vietnam Union of Science & Technology Associations.
- “Top Ten Businesses of the Garment and Textile sector in 2008” award by the Vietnam Trademark Magazine – The Vietnam Union of Scientific and Technological Associations in 2008.
- “Top Hundred Trademark of Vietnam in 2008” award by the Vietnam Trademark Magazine – The Vietnam Union of Scientific and Technological Associations in 2008.

2007

- Certificate of Merit from the Ministry of Trade and Industry for “Excellent performance in 2007”.
- Mr. Dang Trieu Hoa, CEO was voted as “Outstanding Businessman 2007” by Vietnam Ministry of Industry and Trade.

2005

- Certificate of Merit from HCMC People’s Committee for “Excellent performance in 2004”.
- Certificate of Merit from HEPZA in 2005 for “Outstanding achievements in investment and development of industrial zones”.

SCALE OF CENTURY

PERFORMANCE AND FINANCIAL POSITION INDICATORS



SHAREHOLDERS STRUCTURE: 352 SHAREHOLDERS (AS AT 03/02/2017)

1. NUMBER OF LISTED SHARES: 53,516,024 shares.

2. SHAREHOLDERS STRUCTURE

Type of investors	Number of shares	Number of shares can be transferred	Proportion (%)
I. Inside shareholders	16,776,369	16,776,369	31.35%
1. BOD and management team	16,668,325	16,668,325	31.15%
2. Supervisor Committee	108,044	108,044	0.20%
3. Chief Accountant			
4. Authorized spoke person			
II. Treasury shares			
III. Other shareholders	36,739,655	36,739,655	68.65%
1. Domestic	30,371,317	30,371,317	56.75%
1.1 Individuals	18,109,806	18,109,806	33.84%
1.2 Organizations	12,261,511	12,261,511	22.91%
In which: state-owned shareholders			
2. Foreign	6,368,338	6,368,338	11.90%
2.1 Individuals	21,254	21,254	0.04%
2.2 Organizations	6,347,084	6,347,084	11.86%
Total	53,516,024	53,516,024	100.00%

3. MAJOR SHAREHOLDERS (as at 03/02/2017)

Name of shareholders	Type of ownership	Nationality	Number of shares	Proportion (%)
Huong Viet Investment Consultant Corporation	Organization	VN	10,788,763	20.16%
Dang Trieu Hoa	Individual	VN	7,439,994	13.90%
Dang My Linh	Individual	VN	4,564,436	8.53%
Dang Huong Cuong	Individual	VN	4,564,436	8.53%
VietNam Holding Limited	Organization	Cayman Islands	4,041,502	7.55%
Total			31,399,131	58.67%

BUSINESS HIGHLIGHT

SCOPE OF BUSINESS

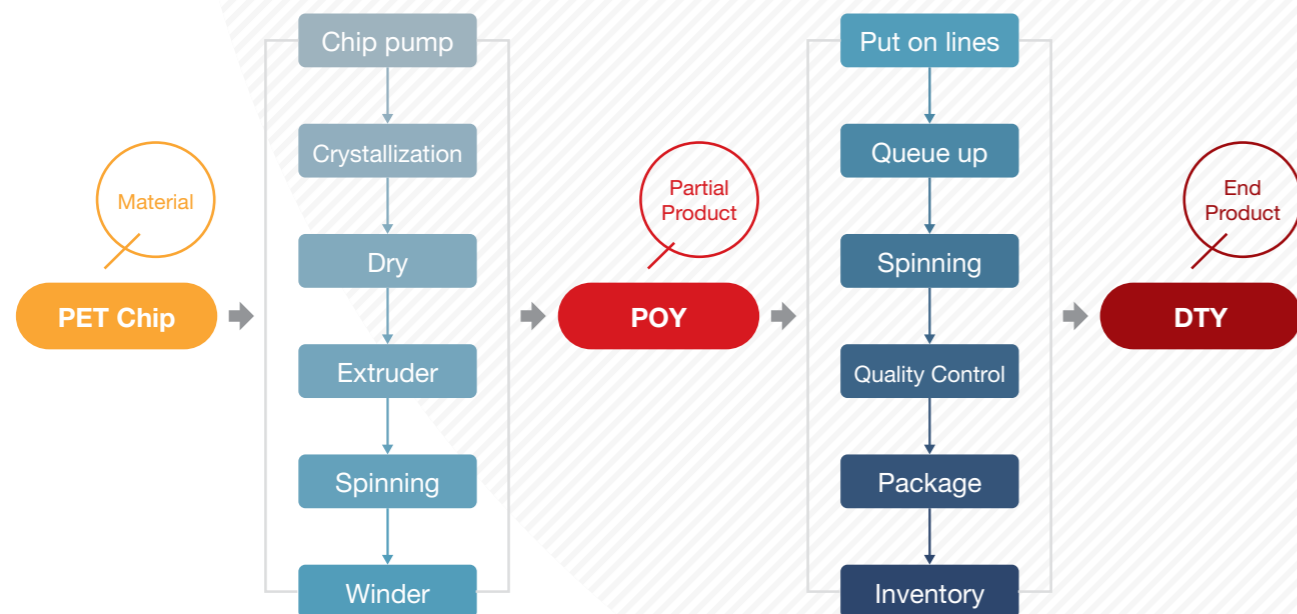
STK specializes in manufacturing and trading high quality polyester filament yarns, such as DTY and FDY.

SCALES OF PRODUCTION

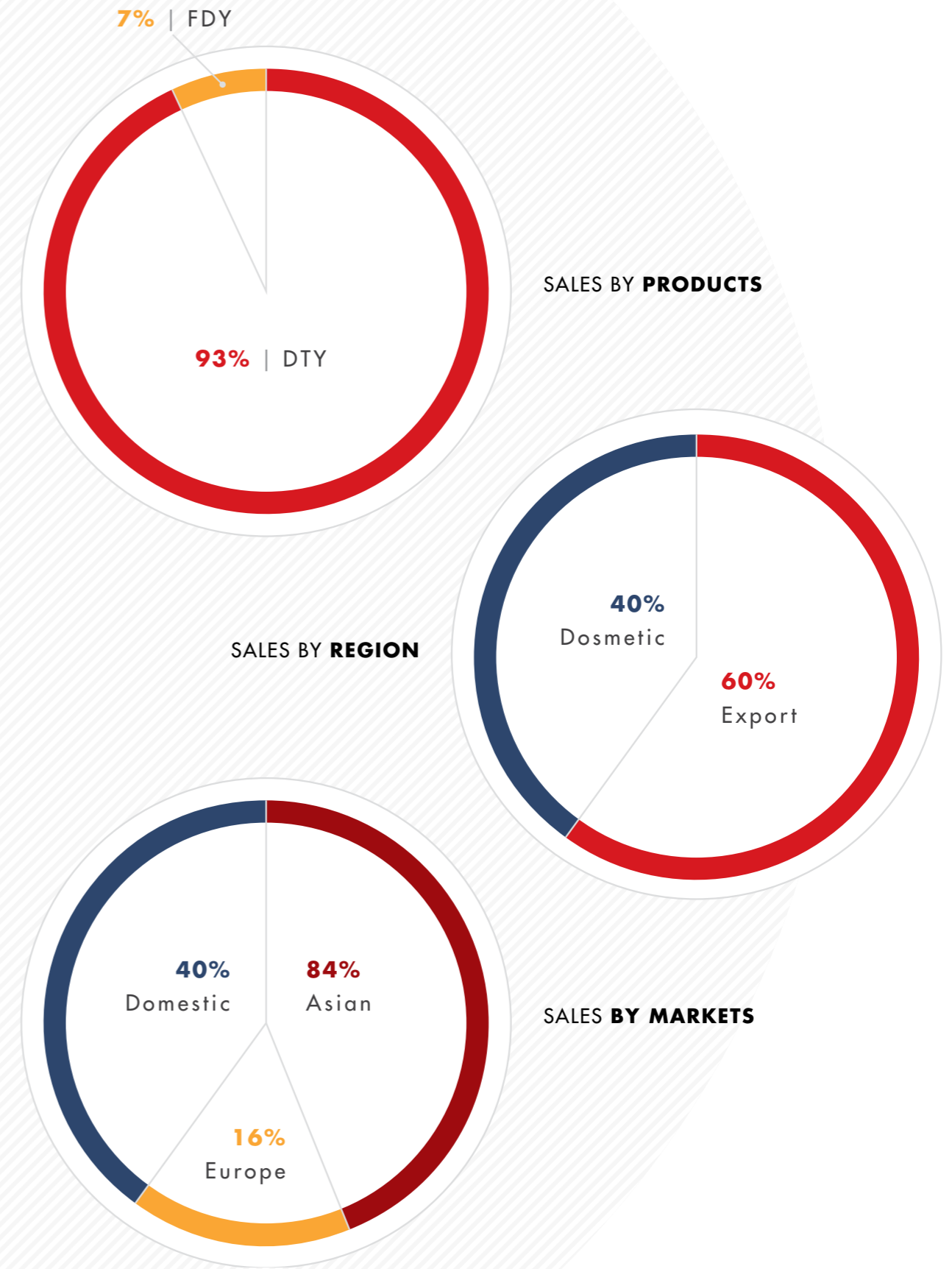
The Company has two factories in Cu Chi and Trang Bang with total acreage of 68,000 m2. Thank to continuous expansion and capacity increase, as at 31st December 2016, total capacity of the company was 52,000 tons of DTY and FDY. It is expected that in the beginning of year 2017, Trang Bang phase 4 project will start operation, raising total capacity to 60,000 tons.

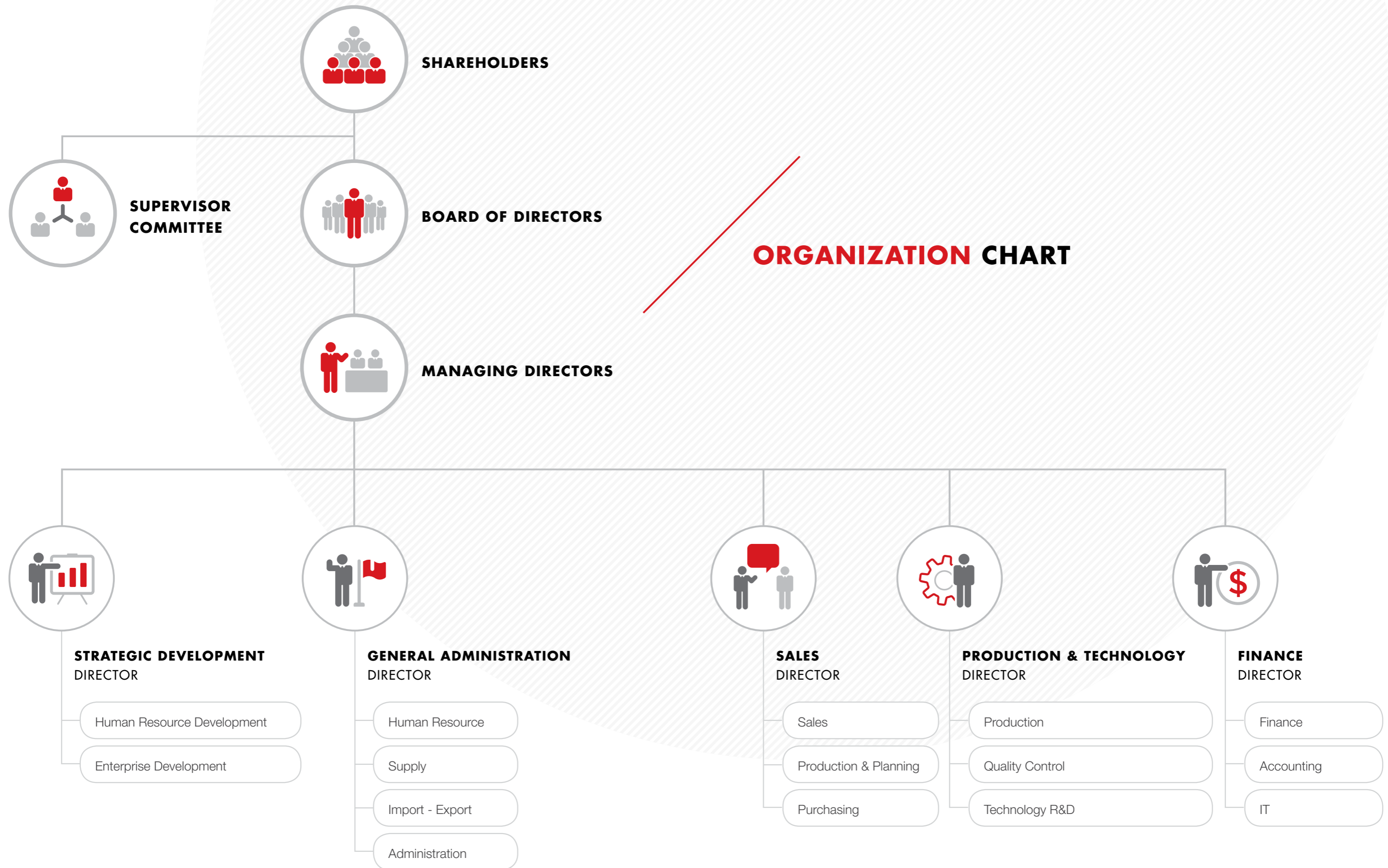


POLYESTER YARN PRODUCTION PROCESS



SALES MIX BY GEOGRAPHIC REGIONS





BOARD OF DIRECTORS TENURE 2013 – 2018



MR. **DANG TRIEU HOA**

Chairman/Managing Director | 48 years old

Mr. Dang Trieu Hoa founded STK in 2000 and has been playing the important role in incorporation and development of STK. He has more than 20 years of experience in yarn and textile trading and manufacturing. He was the Director of Hoan A Trading & Services Co., Ltd and Viet Phu Trading & Services before setting up STK.

At the position of Chairman and Managing Director, Mr. Hoa played a crucial role in forming visions & missions for the Company. He received 2007 Outstanding Businessman Award from Vietnam's Ministry of Industry and Trade.



MDM. **CAO THI QUE ANH**

Member of BOD | 51 years old

She joined the BODs of STK on 12/01/2015. Currently, she is the Director of Thuc Pham Xanh Company. Before that, she has many years of experience in commerce and finance in Poland and Vietnam.



MR. **DANG HUONG CUONG**

Member of BOD | 41 years old

Mr. Dang Huong Cuong is one of co-founders of STK. Currently, he is the Director of P.A.N Pacific Co., Ltd which is also in the yarn sector.



MR. **THAI TUAN CHI**

Member of BOD | 54 years old

Mr. Thai Tuan Chi has joined the BOD of STK since the time STK converted to the form of joint stock company in 2005.

He is the Founder/Chairman/Managing Director of Thai Tuan Group. He was Outstanding Businessman of Ho Chi Minh City and received third runner-up labor medal awarded by the Vietnam government, Certificate of Merit awarded by Prime Minister of Vietnam in honoring his business success from 2004 – 2008 and Vietnam Businessman Award in 2006.



MDM. **DANG MY LINH**

Member of BOD | 45 years old

Ms. Dang My Linh is one of co-founders of STK. Currently, she is the General Director of Lien An Trading & Investment Joint Stock Company.

Before joining with STK, she had more than 10 years working experience at Worldtex Enterprise Co., Ltd. (Taiwan).



MR. **LEE CHIEN KUAN**

Member of BOD | 55 years old

Mr. Lee Chien Kuan has joined the BOD of STK since 2008. He has many years experience in textile and yarn business. He also contributed actively to production and business activities of STK.

BOARD OF MANAGEMENT



MR. **DANG TRIEU HOA**

Chairman/Managing Director | Year: 1969

Education: Business Administration

WORKING EXPERIENCE:

- 06/2000 to present: Chairman/Managing Director, STK.
- 1995 - 2000: Director, Hoan A Trading & Services Co., Ltd.
- 1991 - 1995: Director, Viet Phu Trading & Services Co., Ltd.



MDM. **NGUYEN PHUONG CHI**

Chief Strategic Officer (CSO) | Year: 1972

Education: Master of Applied Finance

WORKING EXPERIENCE:

- 01/2015 to present: CSO, STK
- 03/2008 - 12/2014: Investment Advisory Manager, Tri Tin Consulting & Investment JSC.
- 04/2005 - 02/2008: Senior Project Manager, Openasia Consulting Ltd.
- 10/2004 - 02/2005: Business Development Officer, Mekong Private Sector Facility ("MPDF").
- 10/2002 - 10/2004: Senior Financial Analyst, PricewaterhouseCoopers (Vietnam) Ltd.
- 03/1997 - 03/2000: Legal Assistant, Deacons Graham & James, Hanoi Branch.



MR. **LU YEN KUN**

Production Manager | Year: 1952

Education: Production Expert

WORKING EXPERIENCE:

- 11/2012 to present: Production Manager, STK.
- 10/2010 - 03/2012: Deputy Director, Xianglu Petrochemicals Enterprise, China.
- 02/2005 - 03/2009: Deputy Director, Hangzhou XiangSheng Textile Ltd.
- 11/2002 - 01/2004: Director, Xianglu Petrochemicals Enterprise, China.
- 04/1999 - 02/2000: Senior Assistant, Tuntex Distinct Corporation, Tuntex Group, Taiwan.



MR. **PHAN NHU BICH**

CFO/Chief Accountant | Year: 1970

Education: Bachelor of Economics. Major: Audit/Accountant

WORKING EXPERIENCE:

- 11/2010 to present: Chief Accountant, STK.
- 03/2004 - 03/2010: Controller/ Accountant, Thanh Cong Textile Garment & Investment Trading JSC.
- 1997 - 03/2004: Accountant, Binh Phuoc Electricity Company.

SUPERVISION COMMITTEE

MR. NGUYEN TU LUC

Chief Supervision Committee | Year: 1952

Education: Bachelor of Accounting

WORKING EXPERIENCE:

- 01/2015 - present: Chief Accountant, Mai Hoang Vu Co. Ltd.
- 2007 - present: Chief Supervision Committee, STK.
- 2006 - present: Assistant to Managing Director, STK.
- 2000 - 2006: Chief Accountant, STK.
- 1984 - 2000: Chief Accountant, South Asia Shoes.
- 1979 - 1984: General Accountant, HCM Hotel, Chief Accountant of Saigon Hotel.



MR. LE ANH TUAN

Member of Supervision Committee | Year: 1951

Education: Master of Economics

WORKING EXPERIENCE:

- 2013 - present: Member of Supervision Committee, STK.
- 1999 - 2012: Deputy Director, Ho Chi Minh City Export Processing and Industrial Zones Authority (HEPZA).
- 1998 - 1999: Officer, Human Resource Department, Ho Chi Minh Party.



MDM. NGUYEN THI NGOC LINH

Member of Supervision Committee | Year: 1976

Education: Bachelor of Banking – Finance, Master of Public Finance of Fulbright Program – John Kennedy School of Government, Harvard University, U.S.

WORKING EXPERIENCE:

- 2007 - present: Member of Supervision Committee, STK.
- 2006 - 2014: Member of Supervision Committee, Incomfish, Phu Hoa Tan Water Supply JSC., Ben Thanh Water Supply JSC., Nha Be Water Supply JSC.
- 2004 - 2014: Director of Customer Services/Director, Ha Noi Branch of Dong A Securities Company.



2016 SUSTAINABLE DEVELOPMENT REPORT

OVERVIEW

Textile industry always plays an important role in Vietnam's economy. Being one of the sectors which contributed most to GDP, creating jobs for millions of employees, the textile industry always received the government's attention and facilitation/encouragement for its development. As a part of the global supply chain, Vietnam is strongly affected by the relocation of global supply chain under the impact of FTAs. During the period 2014-2015, there was strong FDI investment flow on textile industry to take advantage of FTAs, raising concerns over potential risks of environmental pollution. In addition, as a labour intensive sector, textile industry is also subject to attention of consumers and government authorities regarding its liability to employees.

Being a yarn producer, as a part of in the textile supply chain, STK always focuses on sustainable development strategy. The Company sets out targets on economic growth but does not forget its obligations toward the society, community and environment. In addition, the Company always ensures the balance between its operations with the benefit of its stakeholders.

2016 is the second year for which STK prepared sustainable development report. The report was aimed to provide assessment on the Company's implementation of sustainable development plan in order to achieve its sustainable development objectives in year 2016 and the plan for year 2017.

The STK sustainability report is constructed based on the Global Reporting Initiative's standard, version G4.

Reporting period: The report was prepared for the fiscal year 2016 from the date 01/01/2016 and ending 31/12/2016.

Reporting cycle: Annually performed.

Contact address (if any question):

📍 Address: Road No 8, Trang Bang Industrial Zone, Tay Ninh Province, Vietnam.

✉ Email: ir@century.vn

☎ Telephone: (+84.66) 389 9537 (Ext: 113)

Report's scope and boundary: The report is made in Vietnam regarding activities of Century Synthetic Fiber Corporation in the synthetic fiber industry.



IMPROVEMENTS IN 2016 SUSTAINABLE DEVELOPMENT REPORT

Having learned from experiences in preparation of 2015 sustainable development report, the Company made the following improvements to this year report:

1. Addition of details on how to seek advices and inputs from stakeholders;
2. Addition of details on important risks and remedy solutions;
3. Provision of information regarding the efforts to set up subcommittees under the Board of Directors;
4. Detailed description on the Company's management system (human resource, reporting system, control on reporting effectiveness, accident remedies) regarding important issues such as working safety, environment, quality of products.
5. Addition of details on material usage and energy.
6. Calculation of carbon footprint.
7. Information about training hours per employee per year.

ETHICAL VALUES OF THE COMPANY

STK's member commits:

- Comply with the laws and the constitution of Viet Nam.
- Comply with the rules and regulations in accordance with the Charter, Corporate Governance and other regulations issued by the Company.
- Promote principles such as information security, effective management, utilization and protection of the Company's assets.
- Act for the Company's ultimate benefit and minimize the conflict of interest with the Company.
- Perform the responsibility towards the society and local communities in which the Company operates.
- Ensure fair and healthy competition, accurately and timely disclosure information to avoid causing damage to the rights and interests of stakeholders.
- Appreciate customers and always provide reasonable and useful solutions to satisfy customers' requirements.
- The employees, a valuable asset should be respected, treated fairly, taken care, trained and encouraged to develop their abilities.

CODE OF CONDUCT WITH STAKEHOLDERS

FOR SHAREHOLDERS

Shareholders are important stakeholders of the Company. Therefore, the relationship between STK and shareholders is particularly focused on. STK always aligns the interests of shareholders with its sustainable development. STK commits to:

- Put the interests of the shareholders ahead, avoid the conflict of interests, ensures a safe investment, attractive dividend policy and sustainable returns for shareholders.
- Provide a diversified and effective communication channel. STK always meets requirements on information disclosure such as transparency, accuracy, clear and timely.
- Ensure equal treatment for all shareholders.
- Ensure confidential information of investors, shareholders, unless allowed by information owners or required by the authorities.

FOR CUSTOMERS

All activities of the Company aim to build the customers' strategic confidence, put the prestige and quality of products ahead, constantly cultivate the relationships with the customers through the after-sales policies, customer care in accordance with the common standards accepted by both parties. The Company commits to:

- Treat fairly, truthfully and respects the customers, builds the relationship based on mutual benefits.
- Build and maintain the customer satisfaction at a high level, establishes a sustainable relationship by offering high quality product at a competitive price, timely and accurate shipment, excellent after sale services.
- Continuously improve and diversify products, offering optimal product selection for customers.
- Protect customer's business information.

FOR EMPLOYEES

Base on STK's value: "Developing together: Century's development is aligned with the prosperity of our partners, our staffs and the community", and the employees are the Company's valuable assets. The Company always respects, treats fairly, takes care of the employees, and focuses on training and capacity development.

- The Company offers a competitive remuneration and welfare policies, commits to fully ensure legitimate benefits of employees under "Collective Labour Agreements", Labor Laws and other regulations of the State.
- The Company shall not use child labor, forced labor.
- The Company shall not discriminate against employees.
- The Company ensures the safe working environment, health care and legitimate benefits for the employees. The Company also focuses on training, creating promotion opportunities for employees.
- The Company evaluates the performance efficiency of staffs, encourages feedback, sharing aspirations and opinions from staffs for the development of the Company.

FOR SUPPLIERS

- The Company commits to treat all suppliers equally, cooperate for mutual benefits, avoid the potential conflict of interests with suppliers.
- The Company always adheres to the rules on tendering, negotiating and signing of contract.
- Do not share the confidential information of suppliers with their competitors.

FOR COMPETITORS

STK aims to improve the image and position of the Company in the industry, compete fairly on the high quality product and reasonable price. The Company always adheres to the following principle of competition:

- Compete fairly, transparently and legally: do not make incorrect or dishonest comments on the competitors' products and services, do not engage in activities to sabotage competitors.
- The Company commits to use the legal methods to collect information about competitors, not use illegal or immoral ways to collect information.

FOR GOVERNMENTS

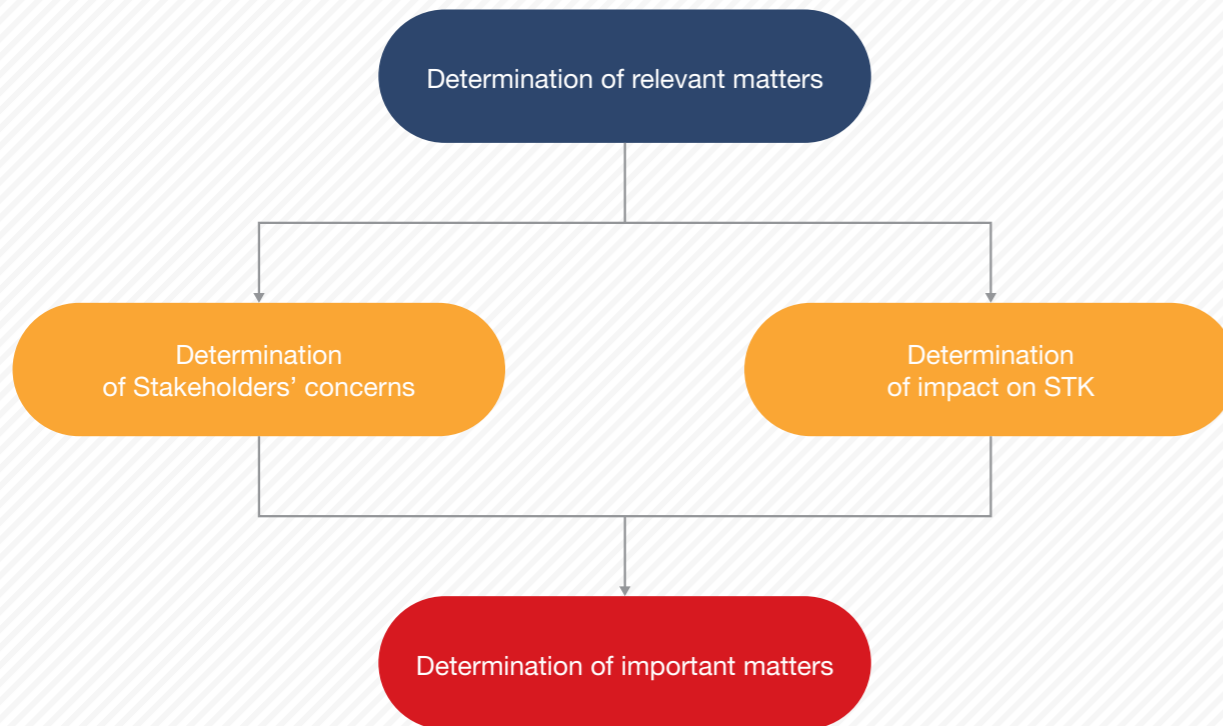
- The Company complies with the law and the constitution of Viet Nam.
- Do not take negative approaches to gain privileges and special benefits from the government, state agencies.
- Fulfill tax obligations and contribute to local budgets in accordance with prevailing regulations.

FOR MEDIA

- Reputation and prestige of the Company are important assets that all employees have to preserve and promote.
- We coordinate with media to help them understand the Company and ensure that all information we provided is transparent, accurate and not misleading.
- Investor Relation Department is responsible for feedback, providing information on media. Other departments are not allowed to contact or answer any questions related to the Company.

In 2016, the Company has made some improvements in the Code of Conduct for its practical application. Based on basic principles, the Company provided a detailed guideline to determine whether one person violated the Code of Conduct or not, and at the same time set up a mechanism for compliance, improvement and feedback on issues related to the Code of Conduct.

METHODS OF DETERMINING THE REPORT CONTENT



CONTEXT FOR STK'S SUSTAINABLE DEVELOPMENT

The world economy continued to endure a very volatile year in 2016 with many risks and uncertainties. In the context that the US economy did not have much good news, the European economy has not recovered yet, Chinese economy has been slowing down, while emerging economies has been showing the sign of deceleration, consumption has been slowing down, and global trade flows became stagnant, making the world economy's prospect become less optimistic.

Due to the decline in global demand for goods while some textile and garment orders were shifted to Lao, Banglades, Cambodia, which were granted favorable tariff treatment related to its export to USA and Europe under Generalized Systems of Preferences ("GSP"), the Brexit (i.e. the UK separation movement from the EU), in 2016 Vietnam's textile and garment sector recorded the lowest growth rate in the decade. In 2016, Vietnam's textile and garment export only reached USD 23.8 billions, rising by 4.5% as compared to previous year, but failing to reach the target which was set at USD 31 billions at the beginning of the year and then was adjusted down to USD 29 billions.

For the fiber industry, in 2016 Vietnam's fiber export reached USD2.9 billion, rising by 15.4%. However, export of polyester fiber declined by 20% in 2016 because of the weak demand, highly competitive market and the Turkish government's imposition of the anti-dumping on imported DTY from Vietnam.

Beside the decline in demand, more stringent requirements on quality by customers and big brand names put more pressure on Vietnamese textile companies. The consumer's awareness about responsible consumption to protect environment has been enhanced. Therefore, in order to meet this expectation, big brand names set very strict environmental protection policies. For example Nike, Adidas, Puma...have programs to make assessment on suppliers about green (environmental protection) indicators, set out targets on reduction in the usage of energy and clean water, CO₂ emission, using none toxic material, causing no pollution to environment, using recycled material, responsibility to employees and society. That expectation requires much of efforts of Vietnamese companies

The world has never paid such precedented attention to matters related to climate change and sustainable development as at today. At the United Nations' 2015 conference on climate change, COP21 in Paris from 30 November to 12 December 2015, 195 nations discussed and reached an agreement. On 5 October 2016, the Paris Climate Agreement reached the threshold for ratification to take legal effect on 4 November 2016. This is a first time one international treaty received such a strong participation and swift ratification which shows special support of international community to climate issues. Several main contents of the agreement include commitments to reduce emission, by switching from using fossil energy to using clean substitute energy sources, with an aim to develop a low emission economy, limiting global warming to well below 20°C from the level of pre-industrial revolution.

As a developing country, Vietnam is vulnerable, especially by climate change and raising sea level. Being aware of that, Vietnam has early ratified the United Nation's framework convention on climate change, Tokyo protocol and especially Paris climate agreement. In the context that Vietnam is participating in many trade agreements, increasing number of investment projects into Vietnam will pose the higher risk of environmental pollution. Recent serious cases of environmental pollution, particularly the case of Formosa Ha Tinh have raised alarm about importance of sustainable economic development. After this incident, Vietnamese authorities have been paying more attention on compliance of the procedure for appraisal and approval of the reports on environment impact assessment and environmental technical standards. Lesson from China which has to pay an expensive price to heavy environmental pollution due to hot development of the highly polluting industries such as steel, rubber, cement, electroplating, dying...is still there. Therefore, Vietnamese government tends to be more cautious in screening, choosing and monitoring projects and will not attract investments at any prices.

THE CONSULTATION OF STAKEHOLDERS



Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation from stakeholders
Shareholders	<ul style="list-style-type: none"> - Via annual general share-holders meetings, direct meetings with investors, conferences, factory visit programs, the Board of Management as well as the Investor relation department have opportunity to interact and discuss with shareholders thereby to understand the concerns of share-holders. - The Investor relation department is always available to discuss and address concerns of share-holders and investors by telephone and email. 	<ul style="list-style-type: none"> - Information transparency. - Good corporate governance. - Business and financial efficiency. - Sustainable development and concerns on social and environmental affairs. 	<ul style="list-style-type: none"> - Despite of market difficulty in 2016, the company still made efforts to expand new market, develop new customers, new products, increase revenue, maintain profitability to create platform for continuing development in the next years. - The Company strictly complies with regulations on public disclosure. Since its listing on Ho Chi Minh city stock exchange, the Company has not received any warning/punishment regarding violation related to public disclosure. - The Company keeps commitment to pay dividend at least 15% per year - The Company keeps improving its corporate governance. In 2016, the BOD researched, contacted with consulting firms to establish the foundation for the establishment of internal audit and remuneration and promotion subcommittees. - The Company is always aimed at sustainable development. In 2016, company was in the top 100 sustainable development businesses of Vietnam.
Customers	<ul style="list-style-type: none"> - The sales and quality assurance departments keep frequent interaction with customers (via meetings, visits to customers premises, email, telephone) to exchange information, to understand demand, expectation from customers on quality, service and price of products. - Regularly, the Company sends to customers questionnaire to collect feedbacks, opinions in order to improve quality of service, satisfying expectation of customers. 	<ul style="list-style-type: none"> - Company's operation is stable, safe and trustworthy. - High quality of products and services. - Competitive prices. - Terms of contract. - Outstanding customer service. - Capacity of technology and operation. - Professionalism in providing service. - High value added products. - Safe products which do not contain toxic substances. 	<ul style="list-style-type: none"> - The Company continued to develop high value added products. In the year 2016, the Company has launched recycled yarn, and in future the Company is going to develop new products, such as dope dyed yarn, hollow yarn, fast dry yarn, high stretch yarn, worth wool yarn.... - The Company has been granted, by SGS a certification, confirming that products of the company conform to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) on using toxic chemical material as stipulated by European Chemical Agency. - The Company has been received a certificate of Global Recycle Standard v3.0 (GRS) for producing recycled yarn. To achieve this certificate, STK complied with strict standards of environmental protection, occupational safety, human health and committed non use of toxic chemical materials. - The Company was highly appreciated by its domestic and international customers on its product quality and customer service, ranked equally to the world leading polyester filament yarn producers such as Nan Ya (Formosa), Lan Fa, Zig Sheng, Hengli, LeaLea, Far Eastern New Century.

Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation from stakeholders
Employees	<ul style="list-style-type: none"> - Weekly, the Company usually conducts the vision and mission program as well as weekly meetings thereby its staffs can exchange information about the Company's operation and problems and the Company can understand the needs, thinking and aspiration of its employees. - Quarterly, the Company carries out periodical dialogue with its employees to share information and to foster better understanding between the employer and the employees to ensure democracy at working place. Annually, at the Employee Benefit Conference, the Company collects opinions from employees to improve regulations and policies, working environment and productivity. - In addition, the employees can address directly to his/her direct supervisors or to the Human Resources department the problems, obstacles, concerns related to his/her job in order to get advice. - Regularly or irregularly, the Company and employees carry out collective negotiation meeting to build up harmonious, stable and progressive relationship, to determine new labor condition in order to sign collective labor agreement, to solve problems in operation. 	<ul style="list-style-type: none"> - Safe working environment, good occupational health. - High salary, bonus, welfare policy. - Opportunity to be trained, to improve skills. - Opportunity to be promoted. - Broad vision of leaders. - Fairness and democracy. 	<ul style="list-style-type: none"> - The Company continues to improve working environment to satisfy employees via policies on salary, bonus, welfare, training, promotion. - The Company made commitments about democratic right, right to be fairly and respectfully treated to employees. - The Company ensures safe working environment and health care to employees. - In the year 2016, the Company has increased average salary for its employees from 8% to 17% depending on the positions. The number of employees who received salary increase and promotion to higher position was 23%. In addition, the Company has arranged 02 training courses on lean production for 60 managers and professional staffs who are responsible for training their department Each session lasted for 3 months.

Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation from stakeholders
Rivals	<ul style="list-style-type: none"> - Based on our market surveys and reports provided by the government, domestic and international analysts, the Company makes analysis and assessment on strategy and perspective of its rivals. 	<ul style="list-style-type: none"> - Fair and transparent competitive environment. 	<ul style="list-style-type: none"> - The Company competes fairly on the basis of offering exceptionally high quality products at reasonable prices. - In the year 2016, the Company has actively shared information and cooperated with other companies in the sector regarding the anti dumping investigation in Turkey.
Suppliers	<ul style="list-style-type: none"> - Based on the Company's purchasing plans, its Purchasing department usually meets and interact with suppliers to reach agreements which are mutually benefitted to both parties. - The purchasing department usually quality assurance department usually visit factories of suppliers to assess their technical capacity, exchange information regarding parties' requirements in order to cooperate and mutually develop. 	<ul style="list-style-type: none"> - Prestige, long-term cooperation. - Cooperation whereby both parties are benefitted and can mutually develop. - To set up stable value chain. 	<ul style="list-style-type: none"> - The Company cooperates with suppliers to develop together, enhance the quality of products and bring benefit for both parties.
The government	<ul style="list-style-type: none"> - Company makes frequent contacts with the authorities via meetings, response to inspection, reports, administrative documents. 	<ul style="list-style-type: none"> - To comply with the laws and regulations. - To fulfill all requirements on certificates and licenses. - To help developing the local community. 	<ul style="list-style-type: none"> - The Company always complies with the laws and has not committed any violations.

Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation from stakeholders
Banks	<ul style="list-style-type: none"> - The Company and its banks usually meet, exchange information, negotiate terms of contracts. The parties often discuss via email and telephone to solve any problems arising from the relationship. 	<ul style="list-style-type: none"> - To have sustainable business and to be trustworthy. - To have transparency in corporate governance. - To be professional in financial management. 	<ul style="list-style-type: none"> - The Company continuously improves its corporate governance. - The Company fulfills its obligations on principal repayment and interest payment on time.
Local community	<ul style="list-style-type: none"> - Via meetings, exchanging correspondents with local association, and social activities, the Company can understand the concerns and expectations of the local community. 	<ul style="list-style-type: none"> - To be responsible, to share and to join hand to develop local community. 	<ul style="list-style-type: none"> - The Company always takes effort to develop local community, contribute to local economy by using many local services such as boarding house, security guard, lunch catering, uniform provision...
Industrial Association (VCOSA)	<ul style="list-style-type: none"> - Via forums, dialogues, exchanging correspondences and emails between the Company and the Industrial association, the parties can share problem and expectation of each party. 	<ul style="list-style-type: none"> - To become an active member, sharing information and contributing to the industry's development. 	<ul style="list-style-type: none"> - The Company is always available to cooperate with the Association and other industrial peers in developing synthetic industry and textile supply chain.

KEY RISKS

Risk	Risk Description	Impact assessment	Solutions
Economic risks	Global economic crisis may affect the demand for garment and textile products, hence affecting STK's sales.	High probability and high impact.	Conduct market research, update information, analyze and assess competitors. Make effort to diversify customer base and expand market to avoid the dependence.
Market development risks	Failure in developing and expanding the market, or the risks of losing market or declining market share.	High probability and high impact.	Build up reputable brand name for good quality product and customer services, strictly control costs in order to sustain sales during economic crisis. Boost R&D to create high value added products to alleviate competition.
Raw materials risks	The quality of raw materials and chemicals do not meet the production standard requirements. Fluctuation of raw material prices can affect STK's production cost. Besides, STK's main raw material is PET-chip – a derivative of oil. Therefore, oil production policy and world environment policy will significantly affect the supply of this raw-material. Production of auxiliary materials including paper tube and carton box may cause environmental pollution and depletion of natural forest.	High probability and high impact.	The Company's policy to diversify suppliers. Continuously look for new suppliers that have better quality and meet the Company's requirements. Set a purchasing plan in medium-term and long term. Improving efficiency for the use of raw material and finding alternative supply sources. Using recycled PET-chip (which is recycled from PET bottles) in order to reduce oil exploitation that causes environmental pollution. Increase the reuse of POY paper tubes to restrict environmental pollution and the depletion of forest resources.
Operational risks	Risk to assets: natural disaster (earthquake, storm and floods) or fire and explosion or intentional destruction may cause damage to the Company's assets. Operational risks: staffs' failure to comply with SOP may affect the quality of product and services. The impact of production process to the air, water, waste and human (labor abuse or work accident occurs during production process).	Medium probability and high impact	STK already bought insurances for all of these risks as well as business disruption insurance. It pays great intention to training of staffs, frequent update of standard operating procedures ("SOPs") and the Quality Control department's strict control of the production's compliance to SOPs. Strict compliance with the policies of environmental protection and occupational health and safety.

Risk	Risk Description	Impact assessment	Solutions
Legal risks	Changes in laws regarding to tax, customs, environmental protection and labor may cause increase in operating expenses. Labor's policy risks such as the increase in the minimum wage, the increase in payment of the social insurance, health insurance, unemployment insurance may increase the Company's costs. Risk of anti-dumping investigation in exporting markets.	Medium probability and high impact.	STK has set up a system to frequently monitor, update the information in order to have the best adaptation to these changes. STK apply reasonable selling price policies for domestic and exporting markets and maintain a good reporting system to help proving that STK does not dump prices. The Company also keeps frequent contacts with its peers and Vietnam Cotton and Spinning Association in order to regularly update the market information as well as to protect legitimate rights of STK and its peers in exporting markets.
Foreign exchange risks	Most STK's raw material are imported and paid in USD. STK's long-term loans are in USD denomination.	Medium probability and medium impact.	Maintain the portion of revenue in USD around 60% of total revenue. Forecast foreign exchange rate fluctuations to have a reasonable and timely debt repayment schedule.
Human Resource risks	Failure to attract and retain the labor force, especially key personnel, succession ones in order to meet the strategy requirement and its operations.	High probability and high impact.	Human resources planning align with the Company strategic direction. Focus on training, developing skillful workforce, building succession team.

KEY TOPICS OF THE SUSTAINABILITY REPORT

1	Product responsibilities;	2	Environmental responsibilities;
3	Responsibilities for employees;	4	Responsibilities for community- local region;

REPORT ASSURANCE BY THIRD PARTY

STK adheres to the principles of honesty, accuracy and transparency regarding the disclosure of the data in the reports. Besides, the following data on STK's operations have been assured by the third party to ensure the accuracy, reliability and comprehensiveness of the statistics:

- Information on waste treatment what was certified by the hazardous waste disposal companies.
- Information on energy saving what was certified by HCMC Energy Conservation Center.
- Information on the working environmental indicators that has been certified by Consultancy Center of Occupational Safety Health and Environmental Technology.
- Information on the environmental inspection indicators that has been certified by Center for Environment and Technology Services.
- Financial information that has been audited by Ernst & Young.

CONTENTS

I. PRODUCT RESPONSIBILITY

With an aim to provide high quality products and outstanding customer services, STK has been investing in modern facilities, applying modern management practices, using high quality raw materials that are supplied by reputable manufactures, strictly complying with the rigorous regulation on use of hazardous substances, continuously improving quality of services.

INVESTED IN MODERN FACILITIES

Having a business strategy which targets high-end segment, STK always focuses on investing in machineries and technology. Machineries and equipment are manufactured by Oerlikon Barmag, a leading European corporation. With the latest production technology, these machineries and equipment will ensure stable quality for finished products, energy-saving, environment protection and improve the product's price competitiveness.

In 2011, to improve transparency and increase efficiency of management and production, the Company has applied ERP system- SAP All-In-One. This system was fully operated since September 2013 that helps the Company to control all operations including production, sales, purchasing, human, finance, all the sources and costs effectively.

In 2015, the Company started to apply Plant Operation Center ("POC") system in production. POC has several modules such as recipe management, reports and statistic, quality management... With these applications, the Company can enhance production efficiency and product quality in order to achieve the customer satisfaction and increase the labor productivity for the Company.

APPLIED MODERN MANAGEMENT PRACTICES

ISO 9001- 2008: To ensure conformity of all operations to the established procedures and industry standards.

5S: Organized a work space for safety, convenience, tidy and removing unnecessary items in order to increase work productivity, reduce wasted time. 5S is the foundation for applying other modern methods such as Kaizen and LEAN.

Kaizen: Constantly improve standard operating procedures to enhance the efficiency and product quality.

LEAN production is a systematic method which focuses on eliminating waste, maximizing resources, shortening production cycle and increasing the ability to meet the customer's technical specification.



All modern management practices are described in the standard operating procedures ("SOPs") for all stages of the Company's operations in order to ensure that quality control is implemented throughout the production process, starting from raw material purchase to the production of POY, DTY, FDY and warehouse management

HIGH QUALITY AND NON-TOXIC PRODUCT

STK's commitments to provide high quality products was proven by the professional operation process from the raw material to production management and product testing to evaluate quality and ensure the quality requirement as ordered.

Quality control is carried out by the following departments:

- Purchasing department is responsible to check and take over raw materials, identify and eliminate defect products prior to production, evaluate the quality of raw material during production to request the suppliers to fix the minor defects in order to ensure the stability of raw materials and product quality. Besides, the purchasing department has to ensure raw materials complied with Material Safety Data Sheet (MSDS).
- Production, Mechanical & Electrical and Maintenance departments are responsible for controlling the quality of work and product in production process in order to identify the errors and eliminate the substandard products.
- Quality control departments (QC) has 215 employees who will conduct 100% quality check for semi-finished product (POY) and finished product (DTY and FDY). Besides, QC is also responsible for controlling the technical specifications of the machines.

At the beginning of each year, the Company always set the quality performance indicators:

Production section	KPIs	2016 Performance	2016 Target	Increase/ decrease +/-	2017 Target
POY	Premium AF category	94.24%	96.42%	-2.18%	96.42%
	POY wasted yarn	1.26%	0.95%	0.31%	0.95%
DTY	Premium AA category	88.52%	91%	-2.48%	91%
	DTY wasted yarn	0.63%	0.68%	-0.05%	0.68%
FDY	Premium AA category	90.26%	95.50%	-5.24%	95.50%
	FDY wasted yarn	2.66%	1.50%	1.16%	1.50%

To follow up these targets, the Company will hold weekly meetings for departments to report on the quality performance. Monthly, all departments will report on their KPIs (including quality performance indicators), explain why they don't meet the target and how to solve the problems.

In 2016, the Company received a Testing report of SGS confirming that STK's products strictly complied with the use of hazardous substances as stipulated in REACH promulgated by the European Chemical Agency in order to protect human health and the environment from risk posed by chemical.

Besides, the Company also received a certificate of The Global Recycle Standard (GRS). This is a product standard for tracking and verifying the content of recycled materials in final product, while ensuring strict production requirement. To achieve this certificate, STK complied with strict standards of environmental protection, occupational safety, human health and committed not to use toxic chemical materials.

Another highlight in 2016 was the Company's introduction of "Improving staffs' awareness of their responsibility toward product quality" initiative into its training programs. During this program, the employees will be trained how to operate accurately, shown which behaviors are wrong as compared to SOP that affected to product quality. This is a practical training that helps developing employee's awareness and skills, thereby improving product quality and the prestige of the Company.



CUSTOMER SERVICES

With the goals to serve customers, STK's staffs always try their best to satisfy customers' requirements. In the context of difficult market, the Company has made efforts to compete with the competitors through its excellent customer services. Not only does STK commits timely, accurate and sufficient shipment but STK also gives customers advice about product specifications to suit their needs. The staffs of Customer Service and Quality Control departments directly visit to customers's premises to evaluate the results of customers' usage of the Company's products and to make the yarn properties reports.

The Company usually conducts surveys, interviews about customer satisfaction. In 2016, the Company received 49 complaints, accounted for 2.91% in total orders. STK always try its best to flexibly, quickly and efficiently provide the solutions for customers.

Customer complaint statistics

2015	2016	Time for handling customer complaints				
		Do not solve the complaints	During 1 week	From 1 week to 1 month	From 1 month to 3 months	Over 3 months
0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35	28	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
51	49	TOTAL				

RESEARCH AND DEVELOPMENT OF NEW PRODUCTS

- With the efforts to improve product quality and introduce new products, the Company has successfully researched and produced recycled yarn to provide to the customers. The Company will continuously conduct R&D of high value added products such as color yarn (which will help reducing environment pollution by lowering water consumption and not using toxic chemical materials), hollow yarn, high stretch yarn, cationic dyeable yarn, dope dyed melange yarn, dope dyed fancy yarn...
- With vertical integration orientation the Company will coordinate with strategic partners in order to create a supply chain from Yarn-Textile and Dyeing, creating added-value for the Company.



Recycled yarn



Color yarn



High value added: hollow yarn, high stretch yarn, Cationic Dyeable, Dope Dyed Melange, Dope Dyed Fancy,...

II. ENVIRONMENTAL RESPONSIBILITY

Environmental protection is one of STK's primary objectives. The Company always commits to comply with the regulations on environmental protection. In 2016, STK's Managing Director made a commitment to fully respect requirements on environmental polices under GRS – V3.0 standards regarding energy usage, water supply, water discharge, emission and management of waste. In addition, the Company also promulgated an Environmental Handbook in order to ensure the compliance of environmental management to the prevailing regulations and GRS standards.

STK'S ENVIRONMENTAL PROTECTION POLICIES

- The objective to create environmentally friendly products, satisfying customers' requirements is the focal point in each business and manufacturing action and decision of the Company.
- To ensure that the Company's operations comply with environmental requirements of the laws and other regulations.
- To encourage continuous improvement through effective procedures, transparent and timely approaches and measurements, measures to prevent pollution and ensure safety and healthy working conditions for employees.
- To provide resources, technology and equipment improvement, to conduct periodical energy audit, water resources, raw materials.
- To provide training to raise staffs' awareness about environmental protection and to communicate the Company's environmental policies to all staffs and stakeholders.

1. RAW MATERIAL

In order to ensure the stability and high quality of products, about 90% raw materials of STK (PET chip, oil) are imported from major countries such as South Korea, Taiwan, Japan and Germany. Only small remaining proportion (mainly paper tube and carton) is sourced from China and Vietnam. STK's main suppliers are the leading international companies who always comply with regulations on environmental protection.

Material	Nation	2016 material consumption
Polyester Chip	Korean, Taiwan, Japan, China.	39,891 tons
Oil	Taiwan, Japan, Germany	886,664 kg
Paper tube	China, Vietnam, Taiwan	6,060,144 paper tubes
Carton box	Vietnam	1,161,427 boxes
Other components	Germany, Taiwan, Switzerland, China.	

Since Quarter 3-2016, the Company has produced recycled yarn from recycled PET chip (PET chip was recycled from PET bottles). Total volume of recycled PET chip used in 2016 was 1,053 tons.

Efficient usage of raw material is shown through reduction of the proportion of wasted yarn. Annually, the Company always sets a norm for using raw-materials and the proportion of wasted yarn.

Besides, to reduce the consumption of POY paper tubes, the Purchasing Department and Quality Control Department has co-ordinated with the suppliers to improve the quality of POY paper tubes to be re-used. After improvement and trial-testing, currently the POY paper tubes can be re-used for 3-5 times depending on product specification.

In 2016, the Company paid environmental tax of VND 785,304,900 for imported oil.

2. ENERGY

Saving energy is one of major concerns at STK. The Company has made the following commitment in managing energy:

- Managing and complying with all regulations of energy consumption that adhered to the laws.
- Conducting energy audit (in every 3 years): Energy audit is conducted by qualified institution to evaluate the Company's energy consumption including electricity, diesel oil, petrol; find out feasible solutions to save energy and to reduce impact on environment.
- Conducting energy saving plan and energy management report (annually and in every 5 years): focus on finding solutions to reduce energy consumption, to implement and evaluate the solutions' efficiency.
- Measuring and keeping records on monthly energy consumption:

	Unit	2014	2015	2016
Energy consumption	kwh	97,891,547	101,936,337	120,743,839
Cost	VND	132,740,938,349	149,846,415,390	180,878,603,661

In which, the energy consumption per kilogram of yarn as follows:

	Unit	2014	2015	2016
POY	kwh/kg	1.31	1.35	1.27
DTY	kwh/kg	1.98	2.08	1.89
FDY	kwh/kg	1.73	1.56	1.71

In 2016, the Company continued to implement some energy saving techniques in accordance with the 5 year-energy saving plan.

Improvement Solutions	Purpose	Result	Investment cost
Renovate 5 DTY M900 machines from DC motor to AC motor (using new generation inverter)	Improving production efficiency, using SSR to control heating and power-saving inverter.	The amount of electricity consumption saving: 360kWh/day/2 machines. The rate of electricity consumption saving: 2.14% compared with the purpose of using. Saving cost: VND180,000,000 / year.	3,000,000,000
Switch off exhausters at extruder area. Open the door to get wind, there are 2 exhaust fans at the end of the room to suck the hot air out.	Switch off electrical equipment while ensuring ambient temperature, enhance longevity of machineries.	The amount of electricity consumption saving: 198.2kWh/day. The rate of electricity consumption saving: 33%. Saving cost: VND98,000,000/year.	0
Renovate new burner nozzles for DTY machines. New specification is 1.2mm (Old specification is 1.4 mm).	Saving compressed air in manufacturing DTY. Reducing airflow while ensuring the quality of DTY.	The amount of electricity consumption saving: 1,800kWh/day. The rate of electricity consumption saving: 18%. Saving cost: VND 900,000,000/year.	800,000,000

Improvement Solutions	Purpose	Result	Investment cost
Operate TEG vacuum furnace during off-peak hours.	To take advantage of lower prices during off-peak hours but not affecting production.	Cost saving percentage: 40%. Saving cost: VND108,000 for each time.	0
Turn off lights alternately surrounding the factories at night.	Saving cost while ensuring brightness for the camera recording and protection of property.	Cost saving percentage: 26%. Saving cost: VND851,148 / monthly.	0

Besides, the Company also carried out some PDCA to reduce energy consumption such as separating lighting systems at the transition areas and DTY factory, conducting site inspection to shut off the supply power immediately when the problem occurs during the production process in order to avoid the waste. M&E officers often monitor and warn other departments to save power. Thanks to PDCA implementation, the Company saved 75kwh/day, equivalent to 120.000 VND/day.

Evaluating the implementation of power saving solutions, the Company drawn some conclusions as follows: The Company's machineries and equipment are of the latest production technology so the energy saving power potential is not much. The Company did not meet the target on power saving in 2016 due to the difficult market which led to unstable orders, forcing the Company to turn machineries on and off frequently increasing the energy consumption. Besides, after assessing the power saving solutions set in the previous year, the consultant did not encourage the Company to implement those solutions at this time due to high investment cost and long payback period.

Report on implementing power saving solutions in 2016

Solutions	Results	Reasons
Using inverter to control the water pump, AC cooling fans.	Unexecuted	Using inverter does not save electricity because the engines runs at a constant speed.
Using inverter to control Chiller.	Unexecuted	Because the Company bought chillers that were automatically controlled by inverter; therefore, the Company does not have to invest in buying inverters.
Replacing high pressure lamps with LED lights	The Company replaced 25/50 high pressure lamps by compact lights, saving 33,945 kwh/year	Because the cost of replacing LED light is high, the Company has just replaced 50% of high pressure lamps by compact lights. It's expected to continuously replace the remaining high pressure lamps in 2017.
Using compressed air appropriately.	Completed the installation of compressed air pipeline between Trang Bang 2 and Trang Bang 3 at the end of the year 2016, expected to officially put in operation and measure the results in 2017.	
Reducing air conditioning usage when environmental temperature drops below 27°C.	Unexecuted.	Because the environmental temperature is always higher than 27°C so that resolution can't be implemented.

POWER-SAVING SOLUTIONS IN 2017

In 2017, the Company will implement some power-saving solutions as follows:

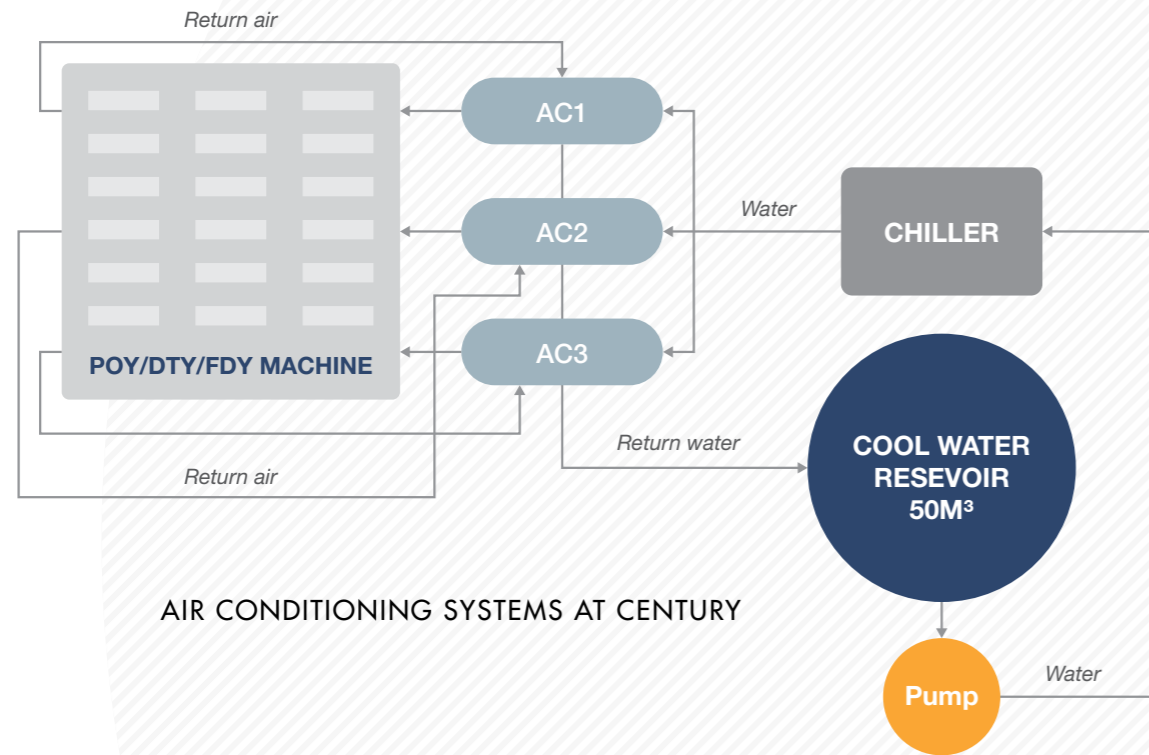
- Replacing high-pressure lamps with compact lights;
- Using compressed air appropriately.

3. WATER USAGE

Source of water used at STK is clean and provided by Industrial Zone for production and living usage. The Company commits not to exploit underground water. In case of having demand for using it, the Company only uses it when having permission from the relevant authorities.

The Company always manages well and fulfills all the legal requirements regarding water usage. Annually, the Company tries to find solutions in order to save the water consumption. The Company also measures on monthly basis and keeps data to ensure that the water consumption is controlled.

At STK, there is a closed air-conditioning system, whereby water after going through chiller will come to AC reservoirs and cooling water pool in order to be reused. Thanks to this system, STK has saved 8,640 m³ water.



The Company controls the water consumption in according to established norms. These norms are set at the beginning of the year, based on the production volume, power outage (20 times/year), maintenance cycles, the procedure for water replacement in AC reservoirs and cooling towers. This KPI is reported on monthly basis to production and others departments.

	Unit	2013	2014	2015	2016
Water consumption	m ³	145,137	161,901	212,481	245,936
Cost	VND	859,030,058	1,095,366,084	1,643,732,100	1,964,344,600
Rate	m ³ /kg	0.003	0.003	0.004	0.003

In 2016, the water consumption decreased as compared to 2015. The reasons for this decrease were that the Company increased the production volume and strictly control the water consumption in each shift, minimized wasteful water loss.

In 2017, the Company will continue to implement the existing measures such as reuse of AC reservoirs water, reduction of the water usage for the compressor, and reduction of the water usage for the cooling system in order to save water.

4. GREENHOUSE GAS EMISSION

According to Oecotextiles' report in 2009 about "Carbon footprint of Textile and Apparel Industry", production of 60 million tons of fabric requires 1,074 million kWh of electricity (equivalent to 132 tons of charcoal) and 6-9 million litres of water. Given the scale of the Global Textile and Apparel Industry, the level of environmental impact is quite large.

During the production process, the Industry often uses a lot of toxic chemicals. Therefore, the risk of water pollution is very large. Furthermore, the CO₂ gas emission from textile production is not a small number. According to a data in 2016, each American citizen generated 19.8 tons of CO₂, 1 ton of which is from apparel and textile product consumption.

Being aware of this, the Company has soon paid attention to the green growth, and focused on tackling the main issues such as: reduction in energy and fuel usage in production and business activities, investment in modern machines and equipment, applying the environmental management system according to ISO 14001 standard and cleaner production standard to minimize the negative impacts to the environment.

The data on Carbon footprint of Textile and Apparel Industry is estimated on the basis of energy consumption in every step of fabric production process. Regarding polyester filament yarn, which is made from fossil fuel, a lot of energy is consumed during the oil extraction process and yarn production process.

In 2016, STK's carbon emission was calculated as follows:

	Consumption	The lower calorific value	Emission factor (EF)	Carbon emission ⁽³⁾
Electricity	120,744 MWh/year		0.6612 ⁽⁴⁾ (tCO ₂ e/MWh)	79,836 (tCO ₂ e/year)
In which, carbon emission per 1 kilogram of polyester filament yarn				
POY	1.27 kwh/kg		0.6612 (tCO ₂ e /MWh)	0.84x10 ⁻³ (tCO ₂ e/kg)
DTY	1.89 kwh/kg		0.6612 (tCO ₂ e /MWh)	1.25x10 ⁻³ (tCO ₂ e/kg)
DFY	1.71 kwh/kg		0.6612 (tCO ₂ e /MWh)	1.13x10 ⁻³ (tCO ₂ e/kg)
Diesel oil consumption for running forklift	29.77 (t/year)	0.043 (TJ/t) ⁽⁵⁾	74.1 (tCO ₂ e/TJ) ⁽⁶⁾	95 (tCO ₂ e/year)

⁽³⁾ The formulas for calculating carbon emission are as follows:

- For electricity: Carbon emission (tCO₂e/year) = Total consumption(Mwh/year)* EF(tCO₂e/Mwh).

- For Diesel oil: Carbon emission (tCO₂e/year) =Total consumption (t/year) *EF (tCO₂e/TJ)* The lower calorific value (TJ/t).

⁽⁴⁾ Emission factor (EF) applied for year 2014 that was announced by DNA Vietnam (under the Ministry of Natural Resources and Environment) in May 2016.

⁽⁵⁾ The lower calorific value for Diesel oil waste taken from IPPC 2006 data sources.

⁽⁶⁾ EF for Diesel oil was taken from IPPC 2006 data sources.

5. POLICIES AGAINST POLLUTION

The Company's measures to prevent environmental pollution always comply with the prevailing regulation on environmental pollution. In particularly, the Company conducts environmental monitoring 4 times a year, reports on the environmental supervision, manages ordinary waste, hazardous waste, emission in accordance with the regulations. In its Environmental Handbook, the Company has set out plans, measures to prevent and deal with environmental accidents

a. Air monitoring items and results

AT THE ENTRANCE								
No.	Items	QCVN 05:2009/ BTNMT	QCVN 26:2010/ BTNMT	Unit	Results (2016)			
					Q1	Q2	Q3	Q4
A CU CHI								
1	Temperature	-		°C	30.5	30.5	30.8	31.5
2	Noise	-	70 ^(*)	dBA	62.1	61.5	65.9	66.4
3	Dust	0.3		mg/m ³	0.18	0.15	0.22	0.23
4	NO ₂	0.2		mg/m ³	0.074	0.056	0.069	0.07
5	SO ₂	0.35		mg/m ³	0.065	0.06	0.06	0.061
6	CO	30		mg/m ³	4.2	3.1	4.84	4.88
B TRANG BANG 1, 2								
1	Temperature	-		°C	29.8	30.5	31.6	31.9
2	Noise	-	70 ^(*)	dBA	63.9	62.1	64.5	65.8
3	Dust	0.3		mg/m ³	0.16	0.18	0.24	0.26
4	NO ₂	0.2		mg/m ³	0.055	0.074	0.071	0.077
5	SO ₂	0.35		mg/m ³	0.064	0.065	0.069	0.064
6	CO	30		mg/m ³	3.12	4.2	5.77	5.31
C TRANG BANG 3								
1	Temperature	-		°C	29.9	30.5	31.9	31.1
2	Noise	-	70 ^(*)	dBA	65.2	64.9	65.8	66.3
3	Dust	0.3		mg/m ³	0.17	0.19	0.26	0.25
4	NO ₂	0.2		mg/m ³	0.061	0.058	0.077	0.071
5	SO ₂	0.35		mg/m ³	0.069	0.049	0.064	0.065
6	CO	30		mg/m ³	3.5	4.87	5.31	5.77

→ The Air monitoring results at the entrance conformed to QCVN 05:2009/BTNMT and QCVN 26:2010/BTNMT.

No.	Items	TCVS 3733/2002/ QD-BYT	Units	Sample	PRODUCTION SECTOR							
					1Q2016		2Q2016		3Q2016		4Q2016	
					N/m POY	N/m DTY	N/m POY	N/m DTY	N/m POY	N/m DTY		
CU CHI												
1	Temperature	≤32	°C	1	29.2	28.3	28.3	28.3	28.8	28.5	28.1	28.9
				2	29.1	28.4	28.8	29.1	28.2	28.8	29.1	
2	Noise	≤85	dBA	1	82.3	84.2	84.4	84.4	84.1	84.2	84.9	83.1
				2	83.6	84.7	84.5	84.5	84.5	83.8	84.4	83.7
3	Dust	8	mg/m ³	1	0.1	0.11	0.18	0.18	0.28	0.28	0.27	0.29
				2	0.12	0.14	0.22	0.32	0.27	0.33	0.31	
4	NO ₂	10	mg/m ³	1	0.16	0.093	0.108	0.108	0.102	0.101	0.117	0.138
				2	0.124	0.088	0.117	0.114	0.115	0.123	0.120	
5	SO ₂	10	mg/m ³	1	0.155	0.202	0.122	0.122	0.097	0.132	0.098	0.110
				2	0.168	0.169	0.117	0.104	0.108	0.101	0.116	
6	CO	40	mg/m ³	1	3.78	4.37	4.5	4.5	5.6	4.63	5.63	4.1
				2	4.61	5.1	5.18	5.78	5.69	7.94	5.07	

PRODUCTION SECTOR												
No.	Items	TCVS 3733/2002/ QĐ-BYT	Units	Sample	1Q2016		2Q2016		3Q2016		4Q2016	
					N/m POY	N/m DTY	N/m POY	N/m DTY	N/m POY	N/m DTY	N/m POY	N/m DTY
TRANG BANG 1 & 2												
1	Temperature	≤32	°C	1	29.2	29.5	28.3	29.4	28.3	28.4	28.1	28.3
2	Noise	≤85	dBA	1	83.5	84.6	84.1	84.9	84.5	84.1	84.2	84.8
3	Dust	8	mg/m ³	1	0.12	0.15	0.18	0.2	0.25	0.29	0.28	0.3
4	NO ₂	10	mg/m ³	1	0.086	0.092	0.09	0.106	0.098	0.107	0.091	0.104
5	SO ₂	10	mg/m ³	1	0.102	0.088	0.088	0.097	0.087	0.092	0.085	0.093
6	CO	40	mg/m ³	1	3.3	3.18	5.22	5.3	5.63	5.14	5.41	5.68
7	VOC	-	mg/m ³	1	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)

PRODUCTION SECTOR												
No.	Items	TCVS 3733/2002/ QĐ-BYT	Units	Sample	1Q2016		2Q2016		3Q2016		4Q2016	
					N/m POY	N/m DTY	N/m POY	N/m DTY	N/m POY	N/m DTY	N/m POY	N/m DTY
TRANG BANG 3												
1	Temperature	≤32	°C	1	28.5	29.1	28.1	28.3	28.2	27.9	28.6	27.7
2	Noise	≤85	dBA	1	82.6	83.5	83.5	84.2	84.2	83.9	84.1	84.8
3	Dust	8	mg/m ³	1	0.13	0.14	0.18	0.22	0.25	0.27	0.27	0.31
4	NO ₂	10	mg/m ³	1	0.075	0.086	0.084	0.091	0.089	0.09	0.095	0.097
5	SO ₂	10	mg/m ³	1	0.081	0.086	0.077	0.083	0.076	0.081	0.085	0.086
6	CO	40	mg/m ³	1	3.49	3.23	5.5	5.42	5.66	5.17	6.05	7.12
7	VOC	-	mg/m ³	1	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)	KPH (LOD=0.02)

→ The air monitoring results at the entrance conformed to TCVS 3733/2002/QĐ-BYT.

b. Emission

STK meets all the law requirements regarding to the emission treatment. Actually, the Company does not generate emission since the Company does not use steam generator. Periodically, the Company conducts measurements at outdoor areas and production areas 3 times a month in order to have solutions to remedy emission pollution (if any) immediately.

Some measures which are conducted to minimize emission pollution:

- Controlling the operation of vehicles in the Company such as: container trucks, trucks, forklifts, cars regarding emission. The Company stops using vehicles that generate excessive emission.
- Reducing usage of fuel, DO oil.
- Regularly maintaining vehicles, machines, equipment using fuel, DO oil to minimize emission pollution.

No.	Item	QCVN 19:2009/BTNMT (Column B) (Kq=1,0; Kf=1,0)	Unit	Results			
				Q1	Q2	Q3	Q4
TRANG BANG 1, 2							
1	Temperature	-	°C	150	163	201	186
2	Dust	200	mg/Nm ³	80.7	87.2	89.5	71.2
3	NO _x	850	mg/Nm ³	103	119	254	103
4	SO ₂	500	mg/Nm ³	136	140	56	210
5	CO	1000	mg/Nm ³	220	320	375	337
TRANG BANG 3							
1	Temperature	-	°C	125	102	129	163
2	Dust	200	mg/Nm ³	94.3	90.8	106.5	84.1
3	NO _x	850	mg/Nm ³	122	136	230	90
4	SO ₂	500	mg/Nm ³	119	103	46	201
5	CO	1000	mg/Nm ³	279	282	319	237

→ The emission monitoring results at Trang Bang plants are consistent with the standards of the Ministry of Natural Resources and Environment.

c. Wastewater

STK's wastewater comes from 2 sources: sanitary waste water and production waste water (from dyeing and product testing activities).

To manage the wastewater source, the Company makes the following commitments:

- To manage the wastewater treatment in accordance with the relevant regulations.
- To keep separate drainage systems for surface water runoff, sanitary waste water and industrial waste water which are connected to the with the drainage system, sewage of the Industrial zones.
- To identify the sources of environmental pollution, frequently monitor of wastewater parameters to ensure that wastewater quality meet the GRS standard.
- To make environmental monitoring reports to the relevant authorities about wastewater every 6 months in accordance with prevailing regulations.
- To measure volume of wastewater discharged daily and keep full records.
- To declare and pay environmental protection fee for wastewater in full in accordance with the prevailing regulations.

The parameters and results of monitoring of waste water

No.	Parameters	Column B - QCVN 40:2011/BTNMT	Unit	Results			
				1Q2016	2Q2016	3Q2016	4Q2016
CU CHI							
1	pH	5-9	-	6.25	7.45	7.27	7.3
2	BOD ₅	50	mg/l	10	39	41	42
3	COD	150	mg/l	31	84	92	91
4	TSS	100	mg/l	6.8	32.4	30.7	35.4
5	Copper (Cu)	2		0.11	0.16	0.09	0.1
6	Total Nitrogen	40	mg/l	2.17	7.62	3.63	3.74
7	Total Phosphorus	6	mg/l	2.19	2.18	1.77	1.01
8	Total Coli-form/100ml	5000	MPN	4100	3900	4200	4400
TRANG BANG 1, 2							
1	pH	5-9	-	7.65	7.02	7.69	7.03
2	BOD ₅	50	mg/l	32	30	36	38
3	COD	150	mg/l	81	87	80	87
4	TSS	100	mg/l	30.2	25.1	29.8	36.2
5	Copper (Cu)	2		0.14	0.12	0.13	0.16
6	Total Nitrogen	40	mg/l	8.3	6.15	4.63	3.22
7	Total Phosphorus	6	mg/l	4.33	3.2	2.15	2.08
8	Total Coli-form/100ml	5000	MPN	4200	4000	4600	4000
TRANG BANG 3							
1	pH	5-9	-	7.8	6.29	7.62	7.01
2	BOD ₅	50	mg/l	36	46	44	45
3	COD	150	mg/l	90	102	110	118
4	TSS	100	mg/l	25.3	36.2	31.9	32.1
5	Copper (Cu)	2		0.15	0.09	0.12	0.17
6	Total Nitrogen	40	mg/l	4.25	4.3	3.29	2.35
7	Total Phosphorus	6	mg/l	3.17	2.63	2.08	2.96
8	Total Coli-form/100ml	5000	MPN	4400	3600	4600	4200

→ The readings of treated waste water before discharged into the Industrial zone's system fully meet the prevailing standards

Wastewater statistics

		Unit	2014	2015	2016
Wastewater	Cu Chi	m ³	9,479	11,482	6,137
	Trang Bang 1,2	m ³	7,053	14,581	9,462
	Trang Bang 3	m ³		4,431	17,724
	Total	m ³	16,532	30,494	33,323
Total cost for waste treatment	Cu Chi	VND	47,244,930	53,850,580	32,483,330
	Trang Bang 1,2	VND	71,308,290	217,946,267	127,973,093
	Trang Bang 3			31,681,650	139,964,682
	Total	VND	118,553,220	303,478,496	300,421,105

d. Hazardous waste

The Company has 2 types of waste, namely hazardous waste and nonhazardous waste. The Company pays great attention on training of employees on management, classification, storage and transportation of waste to lessen the impact to environment and human health.

- For solid waste and non-hazardous industrial waste, the Company collects these wastes to its storage, then subcontracts relevant companies to collect, transport and process the waste.
- For hazardous waste, the Company has a separate storage with hazardous warning sign pursuant to the regulations. Each type of hazardous waste is stickered with hazardous label and the Company subcontracts relevant companies to collect, transport and process this type of waste.

Annually, the Company submits the hazardous waste report for the relevant authorities in accordance with prevailing regulation. The Company also pays great attention to find the solutions to minimize the amount of waste in production and increasingly reuses or recycles the waste.

Name of waste	Code of hazardous waste	Unit	2016	Treatments
Clouts with oil stain	18 02 01	Kg	213	Burning
Ink containers for printing, fax machines	08 02 04	Kg	6	Burning
Waste oil	17 02 03	Kg	64	Burning
Fluorescent lamp waste	16 01 06	Kg	9	Disintegration, Solidification, Burying
Iron barrels	18 01 02	Kg	0	Recycling
Plastic barrels	18 01 03	Kg	10,179	Recycling
Total			10,471	

6. WORKING ENVIRONMENT MEASUREMENT

To prevent occupational diseases, to ensure employees' health, annually, the Company coordinated with Consultancy Center of Occupational Safety Health and Environmental Technology to conduct working environment measurements in order to identify the risks, hence propose measures to minimize the impact of these risks in working environment.

Measuring method: measure the indicators including microclimate, light, noise, dust, toxicant gas at certain technical positions accordance with the standard measuring procedures developed by Institute for Occupational and Environmental Health – and published by the Medical Publishers in 2002.

Applicable standards:

- Decision No.3733/2002/QĐ-BYT - Occupational Safety and Health Standards
- Vietnam standard 5508:2009 – microclimate in working place.

a. Concentration of dust

No.	Position	Total Dust (mg/m ³)					
		CU CHI		TRANG BANG 1, 2		TRANG BANG 3	
		Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
	DTY Factory						
1	The front of the factory	0.49		0.37		0.35	
2	The middle of the factory	0.5		0.38		0.37	
3	The back of the factory	0.48		0.38		0.38	
4	Winder workshop	0.45		0.39		0.4	
5	Spinning workshop	0.47		0.42		0.41	
	Total	5	0	5	0	5	0
	ALLOWABLE LIMITS Occupational Safety and Health Standards. (According to the Decision No.3733/2002/QĐ-BYT 10/10/2002)				6.0		

b. Microclimate

No.	Position	Time (h)	Temperature (°C)		Humidity (Hr %)		Wind speed (m/s)	
			Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
Point of time: Rainy season								
CU CHI								
	Outdoor, date 13/09/2016	8h30	30.5		78.0		0.2-1.0	
DTY Factory								
1	Machine 7		30.2		76		0.2-0.5	
2	Machine8		30.3		77		0.2-0.5	
3	Machine9		30.3		76		0.2-0.5	
4	Machine11		30.3		77		0.2-0.5	
5	Machine12		30.4		77		0.2-0.5	
6	Machine13		31.4		77		0.2-0.5	
Winder workshop								
7	The front of the factory		30.2		77		0.2-0.5	
8	The back of the factory		30.2		77		0.2-0.5	
Spinning workshop								
9	The front of the factory		31.5		76		0.2-0.5	
10	The back of the factory		31.6		76		0.2-0.5	
TOTAL			10	0	10	0	10	0

No.	Position	Time (h)	Temperature (°C)		Humidity (Hr %)		Wind speed (m/s)	
			Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
TRANG BANG 1, 2								
	Outdoor, date 14/09/2016	14h30	32.5		62.0		0.2-1.0	
DTY Factory								
1	Machine 24		31.8		64		0.2-0.5	
2	Machine 25		31.9		63		0.2-0.5	
3	Machine 27		31.9		63		0.2-0.5	
4	Machine 28		32.0		63		0.2-0.5	
5	Machine 31		32.0		64		0.2-0.5	
6	Machine 34		32.0		63		0.2-0.5	
Winder workshop								
7	The front of the factory		32.0		52		0.2-0.5	
8	The back of the factory		32.0		53		0.2-0.5	
Spinning workshop								
9	The front of the factory		32.0		47		0.2-0.5	
10	The back of the factory		32.0		47		0.2-0.5	
TOTAL			10	0	10	0	10	0

No.	Position	Time (h)	Temperature (°C)		Humidity (Hr %)		Wind speed (m/s)	
			Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
TRANG BANG 3								
	Outdoor, date14/09/2016	8h30	30.7		68		0.2-1.0	
DTY Factory								
1	Machine36		30.5		67		0.2-0.5	
2	Machine38		30.6		68		0.2-0.5	
3	Machine39		30.7		68		0.2-0.5	
4	Machine41		30.6		67		0.2-0.5	
5	Machine43		30.6		66		0.2-0.5	
6	Machine44		30.7		67		0.2-0.5	
Winder work-shop								
7	The front of the factory		30.6		66		0.2-0.5	
8	The back of the factory		30.7		66		0.2-0.5	
Spinning work-shop								
9	The front of the factory		31.3		62		0.2-0.5	
10	The back of the factory		31.3		63		0.2-0.5	
TCVN 3733:2002 Requirements about temperature, humidity, air moving speed at working place.			≤32		≤80		≤32	

c. Lighting

No.	Position	Light (Lux)		Noise (dBA)		Note Allowable limits of touching (8hrs/day)
		Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	
CU CHI						
DTY Factory						
1	Machine7	320			97-100	
2	Machine8	330			97-100	
3	Machine9	330			97-100	
4	Machine11	330			97-100	
5	Machine12	340			97-100	
6	Machine13	320			97-100	
Winder workshop						
7	The front of the factory	310			92-94	
8	The back of the factory	320			92-94	
Spinning workshop						
9	The front of the factory	320		82-85		
10	The back of the factory	320		82-85		
TOTAL		10	0	2	8	
TRANG BANG 1, 2						
DTY Factory						
1	Machine25	320			96-98	
2	Machine25	310			96-98	
3	Machine27	310			96-98	
4	Machine28	310			96-98	
5	Machine31	320			96-98	
6	Machine34	320			96-98	
Winder workshop						
7	The front of the factory	310			92-94	
8	The back of the factory	320			92-94	
Spinning workshop						
9	The front of the factory	320		78-84		
10	The back of the factory	320		78-84		
TOTAL		10		2	8	

No.	Position	Light (Lux)		Noise (dBA)		Note Allowable limits of touching (8hrs/day)
		Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	
TRANG BANG 3						
DTY Factory						
1	Machine36	340			92-95	
2	Machine38	350			92-95	
3	Machine39	350			92-95	
4	Machine41	350			92-95	
5	Machine43	340			92-95	
6	Machine44	340			92-95	
Winder workshop						
7	The front of the factory	330			85-88	
8	The back of the factory	330			85-88	
Spinning workshop						
9	The front of the factory	350		82-85		
10	The back of the factory	350		82-85		
TOTAL		10		2	8	
OCCUPATIONAL SAFETY AND HEALTH STANDARDS Decision No. 3733/2002/QĐ-BYT 10/10/2002 * Noise - Working place in the workshop and in factory * Lighting + Textile Industry + Spinning, rolling, winder, dyeing.						
		300		≤85		8h

d. Poison Gas

No.	Position	Carbon dioxide (mg/m ³)	Etylen (mg/m ³)
CU CHI			
DTY Factory			
1	The head of the factory	690	
2	The middle of the factory	720	
3	The end of the factory	710	
4	Winder workshop	730	
5	Spinning workshop	880	
6	Laboratory		700
7	Testing dyeing workshop		840
TOTAL		5	2
TRANG BANG 1, 2			
DTY Factory			
1	The head of the factory	670	
2	The middle of the factory	690	
3	The end of the factory	720	
4	Winder workshop	740	
5	Spinning workshop	800	
6	Laboratory		600
7	Testing dyeing workshop		640
TOTAL		5	2
TRANG BANG 3			
DTY Factory			
1	The head of the factory	590	
2	The middle of the factory	620	
3	The end of the factory	610	
4	Winder workshop	630	
5	Spinning workshop	680	
6	Laboratory		700
7	Testing dyeing workshop		740
TOTAL		5	2
OCCUPATIONAL SAFETY AND HEALTH STANDARDS (Decision No. 3733/2002/QĐ-BYT) Allowable limits of chemicals in working air - Average 8 hrs (TWA) - Each maximum (STEL)		900 1800	1150 -

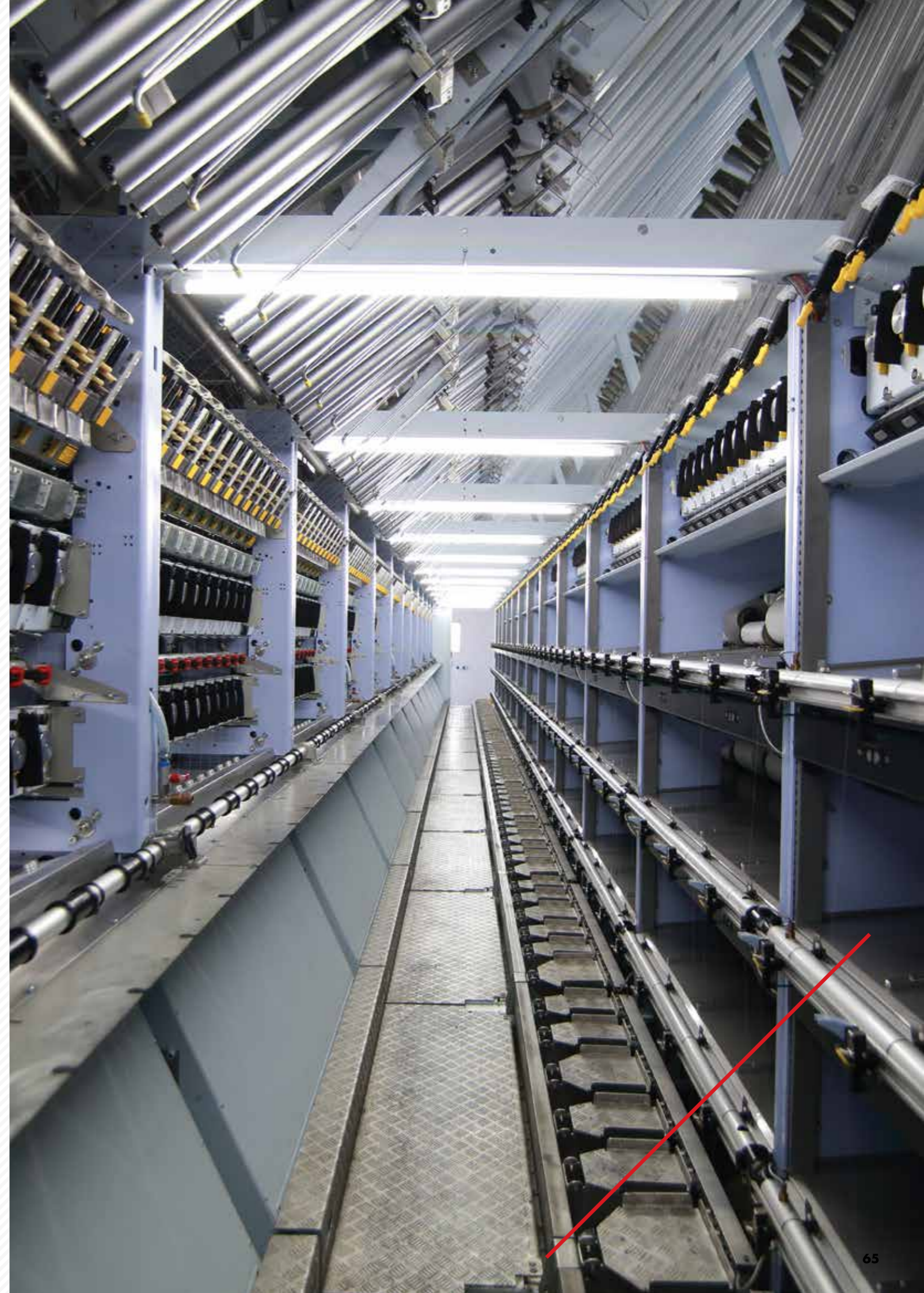
No.	Position	General bass (dBA)	Bass in different band (Hz)							
			63	125	250	500	1K	2K	4K	8K
CU CHI										
DTY Factory										
1	Machine 7	97-100	63.7	65.4	67.5	68.4	82.1	80.6	81.2	79.3
2	Machine 8	97-100	62.4	63.2	66.8	67.7	81.9	79.8	80.9	78.9
3	Machine 9	97-100	63.5	63.1	64.5	65.7	67.4	63.9	72.1	70.6
4	Machine 11	97-100	63.8	62.9	63.2	63.7	65.8	64.9	69.7	68.9
5	Machine 12	97-100	62.9	60.9	62.5	63.6	64.9	62.7	68.5	67.9
6	Machine 13	97-100	64.1	61.3	62.4	63.9	63.2	62.4	67.8	66.8
7	Winder workshop	92-94	59.8	57.6	59.3	60.1	60.3	60.2	59.6	59.4
8	Spinning workshop	82-85	55.6	54.7	53.7	52.3	54.2	53.8	53.9	54.2
TRANG BANG 1, 2										
DTY Factory										
1	Machine34	96-98	63.7	65.4	67.5	68.4	82.1	80.6	81.2	79.3
2	Machine 31	96-98	62.4	63.2	66.8	67.7	81.9	79.8	80.9	78.9
3	Machine 27	96-98	63.5	63.1	64.5	65.7	67.4	63.9	72.1	70.6
4	Machine 28	96-98	63.8	62.9	63.2	63.7	65.8	64.9	69.7	68.9
5	Machine 24	96-98	62.9	60.9	62.5	63.6	64.9	62.7	68.5	67.9
6	Machine 25	96-98	64.1	61.3	62.4	63.9	63.2	62.4	67.8	66.8
7	Winder workshop	92-94	59.8	57.6	59.3	60.1	60.3	60.2	59.6	59.4
8	Spinning workshop	78-84	55.6	54.7	53.7	52.3	54.2	53.8	53.9	54.2

No.	Position	General bass (dBA)	Bass in different band (Hz)							
			63	125	250	500	1K	2K	4K	8K
TRANG BANG 3										
DTY Factory										
1	Machine36	92-95	63.7	65.4	67.5	68.4	82.1	80.6	81.2	79.3
2	Machine38	92-95	62.4	63.2	66.8	67.7	81.9	79.8	80.9	78.9
3	Machine39	92-95	63.5	63.1	64.5	65.7	67.4	63.9	72.1	70.6
4	Machine41	92-95	63.8	62.9	63.2	63.7	65.8	64.9	69.7	68.9
5	Machine43	92-95	62.9	60.9	62.5	63.6	64.9	62.7	68.5	67.9
6	Machine44	92-95	64.1	61.3	62.4	63.9	63.2	62.4	67.8	66.8
7	Winder workshop	85-88	59.8	57.6	59.3	60.1	60.3	60.2	59.6	59.4
8	Spinning workshop	82-85	55.6	54.7	53.7	52.3	54.2	53.8	53.9	54.2
OCCUPATIONAL SAFETY AND HEALTH STANDARDS (Decision No. 3733/2002/QĐ-BYT) * Noise - Working place in workshops and in factory.		85	94	87	82	78	75	73	71	70

CONSOLIDATED RESULTS OF MEASURE, TEST WORKING ENVIRONMENT

No.	Items	CU CHI			TRANG BANG 1, 2			TRANG BANG 3		
		Total Samples	Qualified Samples	Unqualified Samples	Total Samples	Qualified Samples	Unqualified Samples	Total Samples	Qualified Samples	Unqualified Samples
1	Microclimate									
	Temperature	10	10	0	10	10	0	10	10	0
	Humidity	10	10	0	10	10	0	10	10	0
	Wind Speed	10	10	0	10	10	0	10	10	0
2	Light	10	10	0	10	10	0	10	10	0
3	Noise	10	2	8	10	2	8	10	2	8
4	Noise spectrum analysis	8	8	0	8	8	0	8	8	0
5	Full dust	5	5	0	5	5	0	5	5	0
6	Poisonous Gas									
	- CO ₂	5	5	0	5	5	0	5	5	0
	- Etylen	2	2	0	2	2	0	2	2	0
	Total	70	62	8	70	62	8	70	62	8

→ CONCLUSION: In 2016, the Company committed no violations regarding to environmental protection.





III. RESPONSIBILITIES TO EMPLOYEES

TARGET: Maintain and enhance the quality of workforce to create a competitive advantage for the corporation.

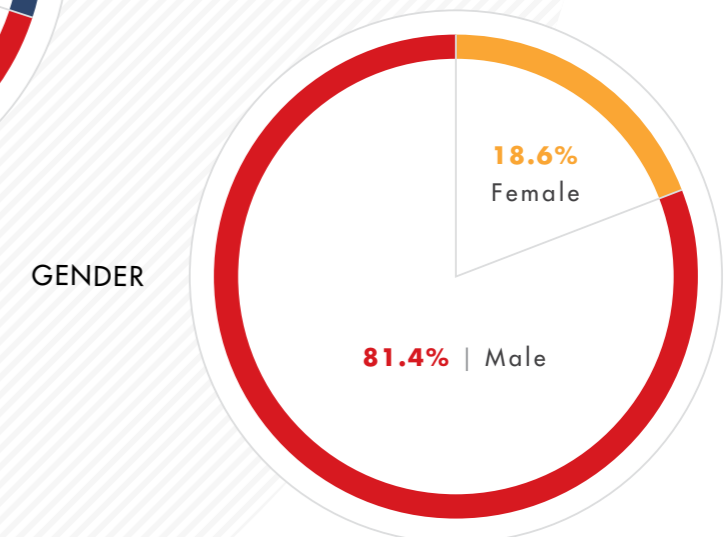
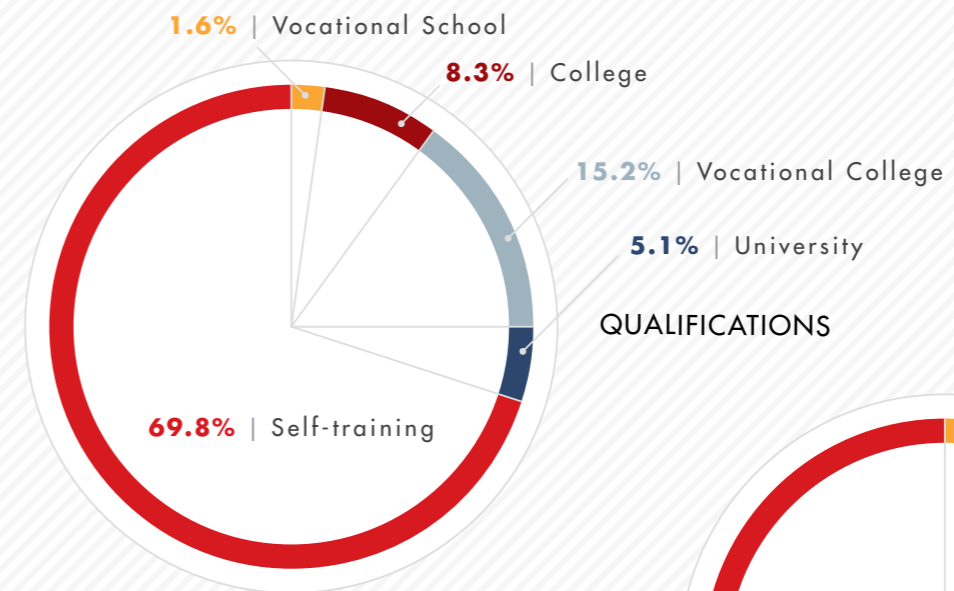
SOLUTIONS AND IMPLEMENTATION:

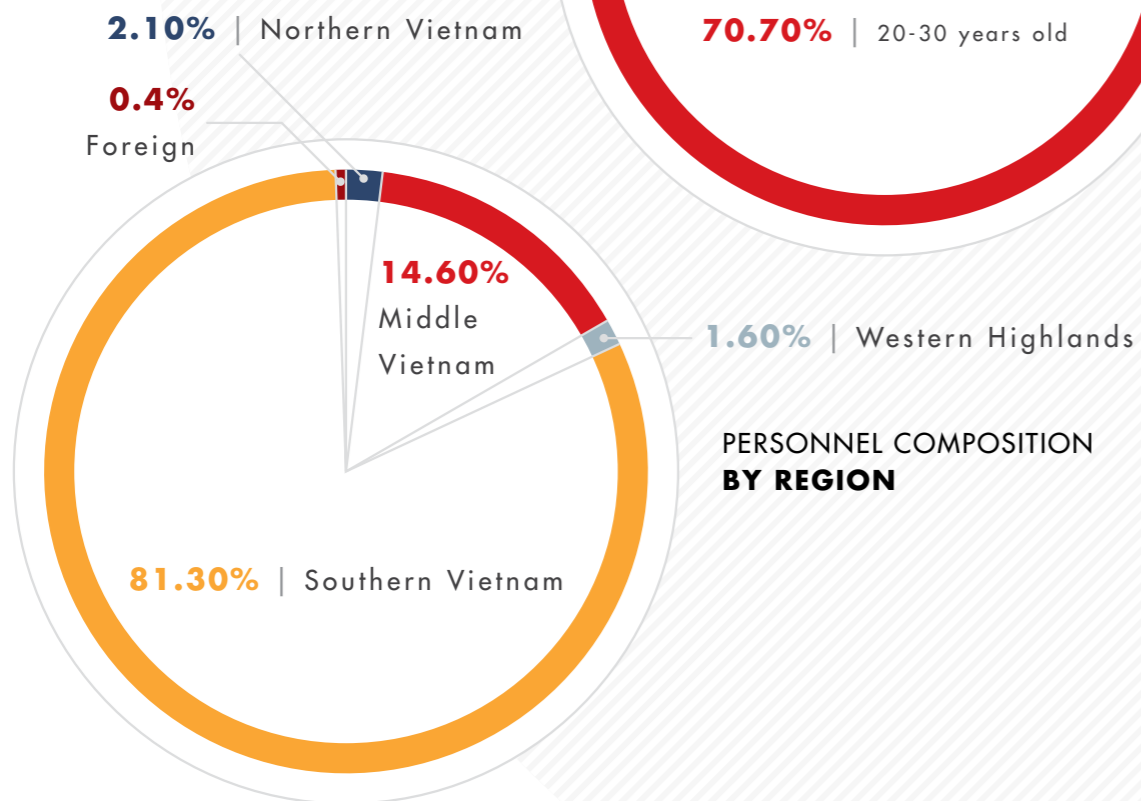
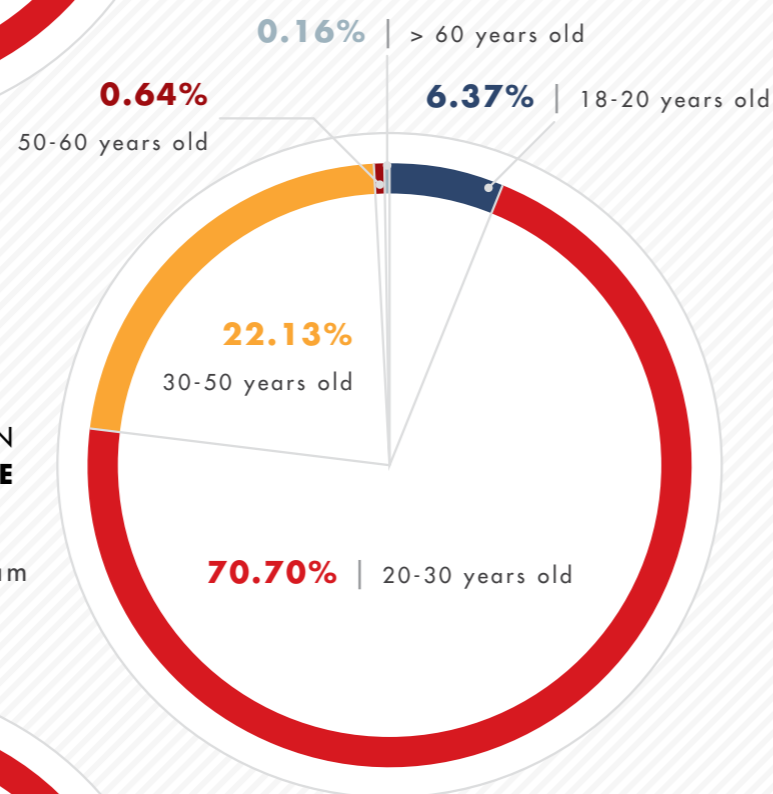
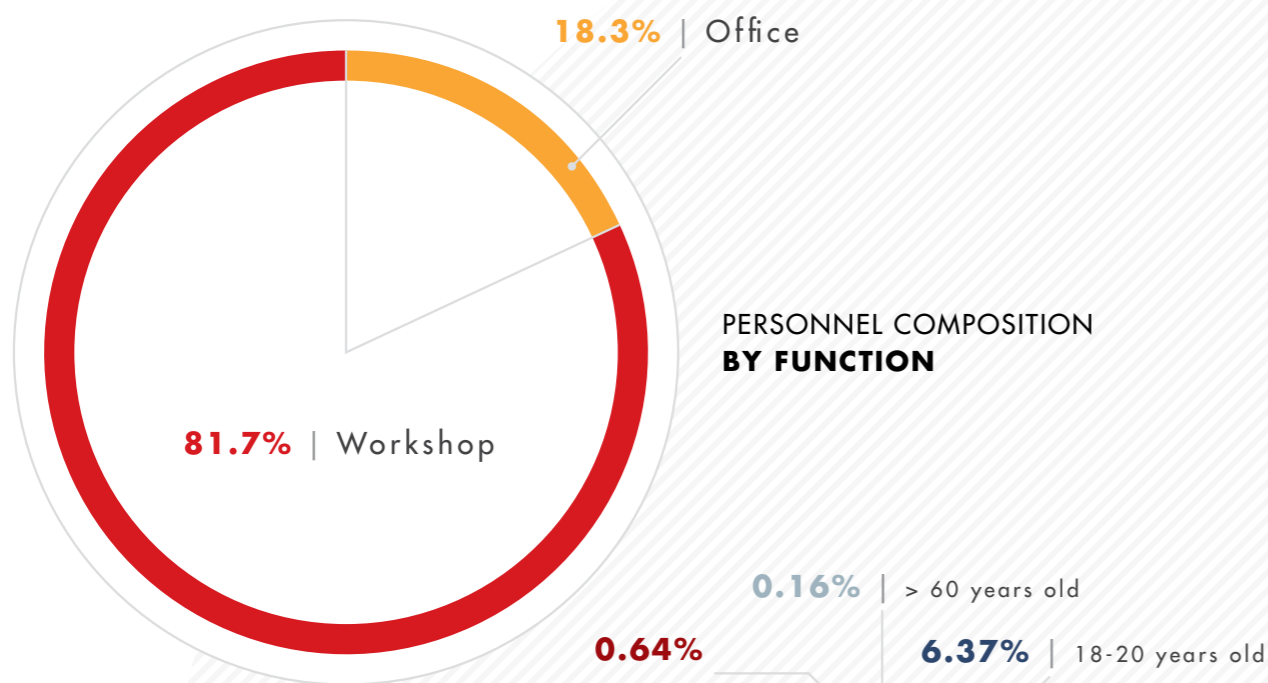
- Recruitment Policy;
- Remuneration policy;
- Training and promotion policy;
- Occupational health and safety policies.

1. RECRUITMENT POLICIES

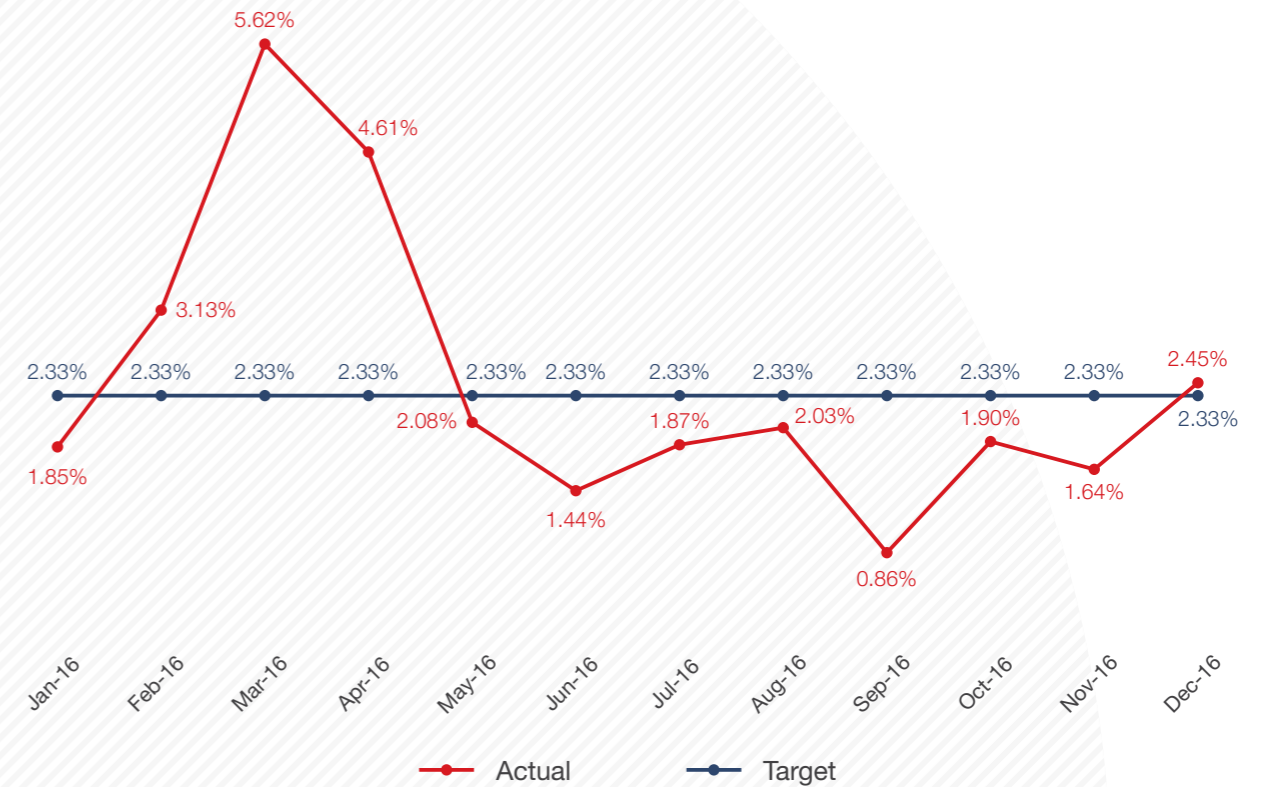
With an aim to create high quality products to meet the customers' demand, STK always focuses on developing the professional and skillful workforce. Therefore, education and attitude for discipline are always ones of the Company's recruitment criterion. STK conducts recruitment solely based on the demand for labor of the Company and the candidates' ability to meet the requirements for the positions, rather than any other criterion. A candidate's family relationship with a staff at all levels will not bring any advantages or incentives in the recruitment process. In addition, the Company also commits not to use child labor (under the age of 18).

Number of official employees as at 31/12/2016: **989**





STAFF TURNOVER MONTHLY IN 2016



2. EMPLOYMENT POLICIES

Most of employees have employment contracts. Depending on type of jobs and profile of each employee, STK will determine whether to apply a term contract or permanent contract for the employee.

Official working time is 8 hours per day and 6 days per week. Office staffs work from 08:00 to 17:00, from Monday to Saturday. Due to nature of production (24 hours per day), the production staffs will work on Sunday, holidays, and TET festival on 03 shifts. The workers will then have compensatory leaves on other days in a week.

At some points in time, due to the need to speed up production schedule or, fulfill contracted orders or other unplanned requirements, working overtime is performed in accordance with the following principles:

- 1 Basing on worker's voluntary;
- 2 Not frequent and not over 12 hours per week;
- 3 Total number of over-time working hours should not excess 200 hours per year;
- 4 Salary paid for over-time working should be higher than the one for official working time and complies with the laws.

BASIC SALARY

Based on the prevailing minimum salary applicable for the region, STK will adjust the salary formula and scales in accordance with the regulations, no discrimination of genders or regions. The basic salary is used for calculation of social insurance payment. In fact, the average income of particular position is always higher than the registered salary.

ACTUAL SALARY

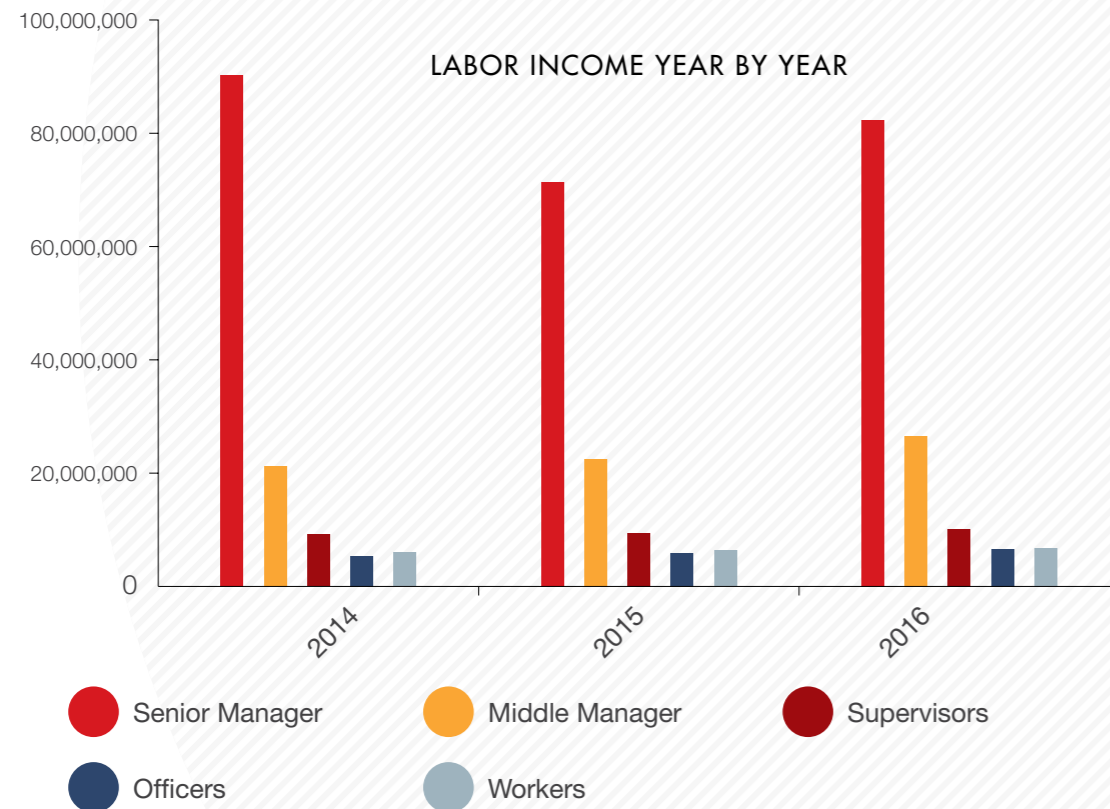
Office Staffs

Based on nature of each position, STK will determine the salary scales.

Production Staffs

Staffs will receive the salary, which is based on productivity. The productivity wages will be adjusted in accordance with STK's business performances from time to time.

The Company does not use salaries reduction such as a labor discipline measure, except in case the salary reduction is an enforcement measure to compensate for material damage caused in accordance with the judgment of the Company's Disciplinary Council with the participation of the Executive Committee of the Labor Unions at the Company.



BONUS

According to the Company's salary and bonus policy, a staff will receive bonus on monthly basis if that individual achieves business target. There are different types of bonuses as follows:

- Performance bonus
- Bonus for compliance with working rules
- Extra performance bonus for production workers
- Extra performance bonus for sales staffs
- Extra performance bonus for purchasing staffs
- Extra performance bonus of stevedoring/ warehouse/ forklift truck driver's positions
- Bonus on national holidays

Beside the monthly bonus as mentioned above, at the end of the year, STK will pay bonus to staffs:

- Tet holidays
- Bonus on annual business performances

INSURANCE POLICIES

The Company pays for social insurance, medical insurance, and unemployment insurance in accordance with the State's regulations. In addition, STK also buys the accident insurance 24/24 for all of staffs.

WELFARES

The Company provides free accommodation for staffs, whose home is more than 30 kilometers from the workplace. In accordance with the data recorded at 31/12/2016, STK rented 66 boarding rooms for 112 staffs. Total amount of money paid for rented accommodation in 2016 was VND 430 million.

In addition, the Company also provides meals between work shifts, and supplementary foods and drinks for heavy and/or hazardous jobs, annual leaves, periodic health examination... and all kinds of allowances: night shift, mobile bill, gasoline, etc.

Company signed and registered the collective labor agreement with the Labor Administration Authority in accordance with the laws. The Company fully fulfilled its obligation to pay compulsory insurance (social insurance and health insurance) for its employees on a timely basis to the Vietnam Social Security of Ho Chi Minh City. The proportion of employees who join collective labor agreement and compulsory insurance is 100%.

In STK, all the policies on salaries, bonuses, rewards and welfares are promulgated in writing and reflected fully in the collective labor agreement, in accordance with the current regulations and announced publicly.

	2014	2015	2016
Senior Manager	90,351,627	71,324,909	82,387,113
Middle Manager	21,212,429	22,504,798	26,486,189
Supervisors	9,168,148	9,393,768	10,064,782
Officers	5,308,218	5,831,010	6,541,751
Workers	5,993,998	6,352,922	6,789,084



3. TRAINING AND PROMOTION

The main topics in annual training programs: the basic knowledge, culture and products of the Company, ISO/ 5S/ KAIZEN/ SAP/ POC, occupational safety, professional awareness, developing skill, training programs for shift leaders.

Training form: internal training and external training.

- With an effort to continuously enhance product quality, the Company always focuses on training, especially, on training for professional staff, workers, technicians in production sector.
- Training programs on environmental, social issues, occupation safety according to GRS Standard.
- Training program: “instilling the attitude for products respect”.

	2014	2015	2016
Number of training courses	29	45	23
Internal training	19	37	17
External training	10	8	6
Actual training expense (VND) (including salaries for training staffs)	1,044,458,280	1,216,345,469	900,505,576
Average number of training hours per employee (hour/person/year)	59.42	188.27	225.75

Promotion policy: STK always encourages and remains fair promotion policy for all employees. Qualified employees can apply for higher position. HR department will coordinate with the manager to monitor, orient and evaluate the candidates’ ability for new position. If their skills reach 70% of the standards, they will be trained and placed on probation for 2 or 3 months before being officially appointed to higher positions.

Year	2013	2014	2015	2016
Number of employees promoted	14	22	39	23

4. WORK SAFETY

In order to fully comply with the Vietnam's Labor Code, Law on Trade Union, ILO treaties and social requirements of GRS-V3.0 standard, in 2016, the Company has issued a policy on health and occupational safety. Main contents of the policy are as follow:

- To comply and meet the legal requirements regarding to health, occupational safety for all the workers, suppliers and related parties during the operation of the Company.
- To ensure clean and safe working conditions.
- To identify, evaluate and have measures to prevent and control the risks before starting any work. Labor protection devices are fully provided for workers.
- To ensure provision of essential medical supports for all workers.
- To provide sufficient equipment, facilities for fire and explosion prevention and fighting.
- To provide sufficient training for staffs before commencing the work. To provide frequent training on health, occupational safety, fire and explosion prevention and fighting, waste management, transportation and processing of chemicals and hazardous materials to workers and all ranks of management.
- To propagate the policy to all employees.
- To ensure the compliance of all people, all levels in the Company with this policy.
- Periodically every 6 months, the Managing Director will consider and make adjustment and modification to the policies in order to comply with the Law.

Actual implementation:

- The Company appoints one officer in charge of occupational safety who will be responsible for coordinating training plans, inspection and making periodically occupational safety reports to submit to the government Agency.
- To cooperate with the Environmental Technology and Hygiene and Occupational Safety Advisory Institution to conduct measurement of working environment indicators.
- In order to ensure the occupational safety, the Company only uses machines and equipment which met standards and conduct periodical inspection and maintenance seriously. Workers operating machines are equipped with protective devices such as earplugs, face masks, safety shoes, protection hats and gloves, etc. Depending on the position, workers will be equipped different protective devices. Furthermore, the Company frequently organizes training courses on occupational safety to raise staffs' awareness. The first-aid training program for workers is carried out once a year and workers attending the training program will be granted certificates.
- The Company has issued "Chemical substances management procedure" and "Manual for toxic chemicals usage" in order to minimize risks for users and minimize the impact of toxic chemicals on environment. In addition, the Company has also issued policies such as "Risk assessment guidance on occupational safety and product safety", "Policy on fire and explosion prevention and fighting".
- To ensure workers' health, annually, the Company coordinates with Nhan Ai Polyclinic to conduct periodic health check for staffs. For those employees who work in noisy areas, the Company will provide hearing care into the health check package. In case a staff is diagnosed with abnormal hearing problems, the Company will take them to large hospitals to take specific medical check and implement periodic re-examinations every 6 months for these cases. The Company also implements full tests on food, drinks and staffs' food trays, to ensure Food Hygiene and Safety.
- At the two factories of STK in Cu Chi and Trang Bang, the Company has medical rooms which meet the standard with one health officer in charge.
- The Company also has 50 separate restrooms for men and women at Cu Chi and Trang Bang factory, to ensure compliance with the rule that there is one restroom for every 20 staffs per shift. The restrooms are provided with clean water, equipped with toilet paper and hand soap, and cleaned up every day by sanitation staffs.

Training about Safety and Hygiene at work	2016	
	Cu Chi	Trang Bang
Total trained employees	362	604
Safety & Hygiene cost (million VND)	717	1,284
- Safety & hygiene technical methods	10	12
- Individual protective clothes	90	180
- Labor healthcare	605	1,080
- Communication, training	12	12
- Others	0	0
Number of labor accidents	2 (light)	2 (light)
Total number of cases affected with occupational Diseases	0	0
The average number of overtime hours/day/person	0.1 hours/day/person	
	0.35 days/6 months/person	
Machineries strictly complied with safety and hygiene standards	16	22

5. TRADITIONAL CULTURE OF THE COMPANY

To build a team always striving for the development of the whole company, periodically on every Monday, the Company is organizing the Credo program of STK, including 2 major contents are presentation of vision and mission of departments and book presentations.

For the program of sharing vision and mission of every department, this is the opportunities for all departments to better understand each other's activities, the difficulties and challenges encountered by other departments, therefore all will coordinate and support each other to achieve the overall objectives of the whole Company.

For the book presentation program, the topics chosen for presentation are rich and diversified, from those which encourage positive thinking, work spirit, to improvement of management skills to technical/profession books. Through the program, departments will share with each other the book's messages, the lessons learnt from that book and how can the book be applied practically in the work of that department. The program is a playground that helping staffs to enhance their knowledge, enrich their skills and improve their working efficiency.

To continue the annual tradition, this year, the Company organized a party and gave nearly 400 gifts for employees' children on the International children day (the 1st of June). Besides, the Company also granted awards to nearly 80 children who achieved excellent academic results, each award is worth VND 300,000.



IV. RESPONSIBILITIES TOWARD THE LOCAL COMMUNITY

STK'S DIRECT CONTRIBUTION TO THE LOCAL ECONOMY IN 2016

Items	Value
2015 cash dividend for shareholders	23,025,781,000 VND
Employees remunerations	99,888,867,976 VND
2016 sales revenue	1,358,284,815,225 VND
Total transaction value with suppliers	1,988,952,584,460 VND
- In which, total transaction value with local suppliers	276,420,569,464 VND
Total tax payment in 2016 (including VAT, import-export tax, CIT, PIT, natural resources tax and other taxes...)	231,679,139,230 VND

1. SUPPORT FOR THE GROWTH OF THE LOCAL ECONOMIC DEVELOPMENT

Trang Bang factory is located at Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province. This is the area which has difficult economic conditions. Building the factory here, the Company not only creates jobs for local workers, but also helps them improving skills through the Company's training programs. In addition, the Company also has some contracts that provide services from the local supply units such as: rental accommodation for the employees, industrial catering, security, garbage collection, uniform provision and rental bus services to pick up employees.

2. COMPLIANCE

The compliance with the regulations and Laws is always placed on top by STK. In 2016, the Company committed no violation to the prevailing regulations.

The Company respects all the basic rights of human. In 2016, the Managing Director of the Company made the following commitments regarding requirements on social policies according to the GRS-V3.0 standard and the Laws of Vietnam:

- Commitment to comply with the policy of voluntary workers, no deposit, no bond;
- Commitment to comply with a policy of no child labor;
- Commitment to comply with a policy of freedom to establish associations and collective negotiation;
- Commitment to comply with a policy of no discrimination, sexual harassment and abuse.
- Commitment to a policy of health and occupational safety;
- Commitment to comply with a policy of salary-reward in accordance to the regulations;
- Commitment to a policy of working hours and break hours.

In 2016, The Company did not receive any lawsuits or denouncements from the employees.

3. ANTI-BRIBERY AND CORRUPTION

STK determines to become a reputable and professional company, always complies with the rules of law as well as the basic principles of morality. The Company commits to fight against corruption-bibery actions. Any staff of STK who is found having demand or receiving bribes of customers and suppliers will be disciplined strictly.

In 2016, the Company did not found any cases related to corruption or bribery.



REFERENCE TABLE OF REPORT CONTENT AND GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES

GRI Indicators		Report 2016	Page
GENERAL STANDARDS			
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organization, Chairman or high level positions related to the sustainable development of the organization and the organization's strategies about sustainable development.	✓	5
G4-2	Given the description about impact, risk and main opportunity.	✓	32→33, 38→39
ORGANIZATION PROFILE			
G4-3	ORGANIZATION PROFILE	✓	3, 28
G4-4	Name of the Company	✓	18
G4-5	Primary brands, products, and/or services	✓	3
G4-6	Headquarter	✓	3, 28
G4-7	Number of countries where the Company operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	✓	3, 17, 20, 21, 28
G4-8	Nature of ownership and legal form	✓	19
G4-9	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	✓	16
G4-10	Scale of the reporting organization	✓	67, 68
G4-11	Report on workforces	✓	71
G4-12	Percentage of total workers including in aggregate labour agreements.	☒	
G4-13	Any significant changes during the reporting period regarding size, structure, ownership or supply chain	✓	12, 13
G4-14	Report the organization to have precautionary measure or principle is addressed by the organization	✓	38→39
G4-15	List the terms, principles of economy, environment, society which are developed outside the organization or other initiatives approved and supported by the organization	✓	34→37, 40, 41, 43, 48, 76
G4-16	List the members' right in the associations and organizations operated in local and international country.	✓	37
IDENTIFY MAJOR BOUNDARIES			
G4-17	a. List the units including in the organization's consolidated financial statements or relevant documents b. Report on one unit including in the organization's consolidated financial statements or any relevant documents not mentioned in the report	✓	28

GRI Indicators		Report 2016	Page
G4-18	a. Explain the progress of identifying report content and boundary of the field. b. Explain how the organization has implemented the reporting principles for defining how the report content will be	✓	32→39
G4-19	List all the major fields were identified while identifying report content	✓	39
G4-20	To each major field, report the field boundary inside the organization	☒	
G4-21	To each major field, report the field boundary outside the organization	☒	
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	☒	
G4-23	Report the significant changes of Size and Field boundaries compared to the earlier reports	☒	
THE CONSULTATION OF STAKEHOLDERS			
G4-24	Provide list of related groups were invited by the organization	✓	33→37
G4-25	Report the base of identifying and selecting related parties to invite	✓	33→37
G4-26	Report the approaching methods with the consultation of related parties, including the frequency of participation by type and related groups, and point out is there any consultation has been implemented within the framework of making the report	✓	33→37
G4-27	Report the topics and main concerns approved by the consultation of related parties and how the organization reacted toward these topics and main concerns, including the announced reports. Report on related parties pointed out each topic and main concern	✓	33→37
CORPORATION PROFILE REPORT			
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	✓	28
G4-29	Date of most recent previous report (if any)	✓	28
G4-30	Reporting cycle (annual, biennial, etc.)	✓	28
G4-31	Contact point for questions regarding the report or its contents	✓	28
G4-32	a. Report "suitable" method selected by the organization b. Report the reference table of content GRI for selected method (refer the following tables) c. Report reference documents to the External Assurance Report, if this report was assured externally (GRI encouraged using external assurance but not a "suitable" request to the Guidelines	✓	28, 39, 78

GRI Indicators		Report 2016	Page
G4-33	a. Report current policies and general rules of the organization on using external assurance for the report b. If not included in the assurance report accompanied with the sustainable development report, size report and any external assurance provided. c. Report the relations between the organization and assurance suppliers. d. Report if top management level or high executive level participated in seeking assurance for sustainable development report of the organization	✓	39
GOVERNANCE			
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks	✓	22→26
G4-35	Report the authorized progress on the topics of economy, environment and society from the highest governance body to high level executive directors and other members	☒	
G4-36	Report if the organization has appointed the executive position or positions responsible for economic, environmental, social topics, and if the ones in charge of those position reported directly to the highest governance body	☒	
G4-37	Report on consulting progress between the related parties and highest governance body about the economic, social, environmental topics. If the consultation is authorized then who is the authorized person and what agency for the feedback progress	☒	
G4-38	Report the composition of the highest governance body and the committee of this body.	☒	
G4-39	Report to the chairman of the highest governance body if was a executive director (and, if any, functions of the chairman during the management activity and reason for this arrangement)	☒	
G4-40	Report the specified procedures and selection for the highest governance body and its committees and the criteria used for specification and selection of members in the highest governance body	☒	
G4-41	Report the processes in place for the highest governance body to ensure conflicts of interest are avoided. Whether the report of interest conflict be announced to related parties?	☒	
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	☒	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	☒	
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	☒	

GRI Indicators		Report 2016	Page
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	☒	
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics..	☒	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	☒	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	✓	5
G4-49	Report the process for communicating critical concerns to the highest governance body.	☒	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	☒	
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	☒	
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization	☒	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	☒	
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	☒	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country..	☒	
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	✓	29→31

GRI Indicators		Report 2016	Page
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines	☒	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	☒	
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	34→37
EC1	Direct economic value generated and distributed	✓	76
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	☒	
EC3	Coverage of the organization's defined benefit plan obligations	☒	
EC4	Financial assistance received from government	☒	
MARKET PRESENCE			
G4-DMA	Generic Disclosures on Management Approach	☒	
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	☒	
EC6	Proportion of senior management hired from the local community at significant locations of operation	☒	
INDIRECT ECONOMIC IMPACTS			
G4-DMA	Generic Disclosures on Management Approach	☒	
EC7	Development and impact of infrastructure investments and services supported	☒	
EC8	Significant indirect economic impacts, including the extent of impacts.	☒	
PROCUREMENT PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
EC9	Proportion of spending on local suppliers at significant locations of operation	✓	76
CATEGORY: ENVIRONMENTAL			
MATERIALS			
G4-DMA	Generic Disclosures on Management Approach	✓	43
EN1	Materials used by weight or volume	✓	43
EN2	Percentage of materials used that are recycled input materials	✓	43

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ENERGY			
G4-DMA	Generic Disclosures on Management Approach	✓	44→45
EN3	Energy consumption within the organization.	✓	44
EN4	Energy consumption outside of the organization.	☒	
EN5	Energy intensity.	✓	44
EN6	Reduction of energy consumption	✓	44→45
EN7	Reductions in energy requirements of products and services.	☒	
WATER			
G4-DMA	Generic Disclosures on Management Approach	✓	46
EN8	Total water withdrawal by source	☒	
EN9	Water sources significantly affected by withdrawal of water.	☒	
EN10	Percentage and total volume of water recycled and reused	✓	46
BIODIVERSITY			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	☒	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	☒	
EN13	Habitats protected or restored	☒	
EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	☒	
EMISSIONS			
G4-DMA	Generic Disclosures on Management Approach	✓	47, 52
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	✓	52
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	✓	47
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	☒	
EN18	Greenhouse gas (GHG) emissions intensity	✓	47
EN19	Reduction of greenhouse gas (GHG) emissions	☒	
EN20	Emissions of ozone-depleting substances (ODS)	☒	
EN21	NOx, SOx, and other significant air emissions	☒	

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EFFLUENTS AND WASTE			
G4-DMA	Generic Disclosures on Management Approach	✓	52→54
EN22	Total water discharge by quality and destination.	✓	54
EN23	Total weight of waste by type and disposal method	✓	54
EN24	Total number and volume of significant spills	☒	
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	✓	54
EN26	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	☒	
PRODUCTS AND SERVICES			
G4-DMA	Generic Disclosures on Management Approach	✓	40→42
EN27	Extent of impact mitigation of environmental impacts of products and services	✓	41, 42
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	☒	
COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	43→64, 76
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	✓	64, 76
TRANSPORT			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	☒	
OVERALL			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN31	Total environmental protection expenditures and investments by type	✓	43, 44→45
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN32	Percentage of new suppliers that were screened using environmental criteria.	☒	
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	☒	

GRI Indicators		Report 2016	Page
ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	☒	
CATEGORY: SOCIAL			
LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 67→71
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	✓	67→69
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	✓	69→71
LA3	Return to work and retention rates after parental leave, by gender.	☒	
LABOR/MANAGEMENT RELATIONS			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 71
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	☒	
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 74→75
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	☒	
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	✓	75
LA7	Workers with high incidence or high risk of diseases related to their occupation	✓	75
LA8	Health and safety topics covered in formal agreements with trade unions	✓	74
TRAINING AND EDUCATION			
G4-DMA	Generic Disclosures on Management Approach	✓	73
LA9	Average hours of training per year per employee by gender, and by employee category	✓	73
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	✓	73
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	☒	

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DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 35, 67, 76
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	☒	
EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 35, 69→71, 76
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	☒	
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
LA14	Percentage of new suppliers that were screened using labor practices criteria	☒	
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	☒	
LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA	Generic Disclosures on Management Approach	✓	30
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	✓	76
HUMAN RIGHTS			
INVESTMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	☒	
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	☒	
NON-DISCRIMINATION			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 35, 76
HR3	Total number of incidents of discrimination and corrective actions taken.	☒	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 76
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	☒	

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CHILD LABOR			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 67, 76
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	☒	
FORCED OR COMPULSORY LABOR			
G4-DMA	Generic Disclosures on Management Approach	✓	30, 67, 76
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	☒	
SECURITY PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	☒	
INDIGENOUS RIGHTS			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	☒	
ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	☒	
SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR10	Percentage of new suppliers that were screened using human rights criteria	☒	
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	☒	
HUMAN RIGHTS GRIEVANCE MECHANISMS			
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	✓	76
SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	✓	76
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	☒	
SO2	Operations with significant actual and potential negative impacts on local communities.	☒	

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ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	✓	76
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	☒	
SO4	Communication and training on anti-corruption policies and procedures.	☒	
SO5	Confirmed incidents of corruption and actions taken	✓	76
PUBLIC POLICY			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO6	Total value of political contributions by country and recipient/beneficiary	☒	
ANTI-COMPETITIVE BEHAVIOR			
G4-DMA	Generic Disclosures on Management Approach	✓	36
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	☒	
COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	64, 76
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	✓	64, 76
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	☒	
S10	Significant actual and potential negative impacts on society in the supply chain and actions taken	☒	
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	☒	
S11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	☒	
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY.			
G4-DMA	Generic Disclosures on Management Approach	✓	41
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	☒	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	☒	

GRI Indicators		Report 2016	Page
PRODUCT AND SERVICE LABELING			
G4-DMA	Generic Disclosures on Management Approach	☒	
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	☒	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	☒	
PR5	Results of surveys measuring customer satisfaction.	☒	
MARKETING COMMUNICATIONS			
G4-DMA	Generic Disclosures on Management Approach	☒	
PR6	Sale of banned or disputed products	☒	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	☒	
CUSTOMER PRIVACY			
G4-DMA	Generic Disclosures on Management Approach	☒	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	☒	
COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	76
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	☒	

