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# SUSTAINABLE DEVELOPMENT REPORT 2015

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## CENTURY SYNTHETIC FIBER CORPORATION

### Headquarter

Address: B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City

Telephone: +84.8 3790 7565 | Fax: +84.8 3790 7566

### Branch

Address: Street 8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province

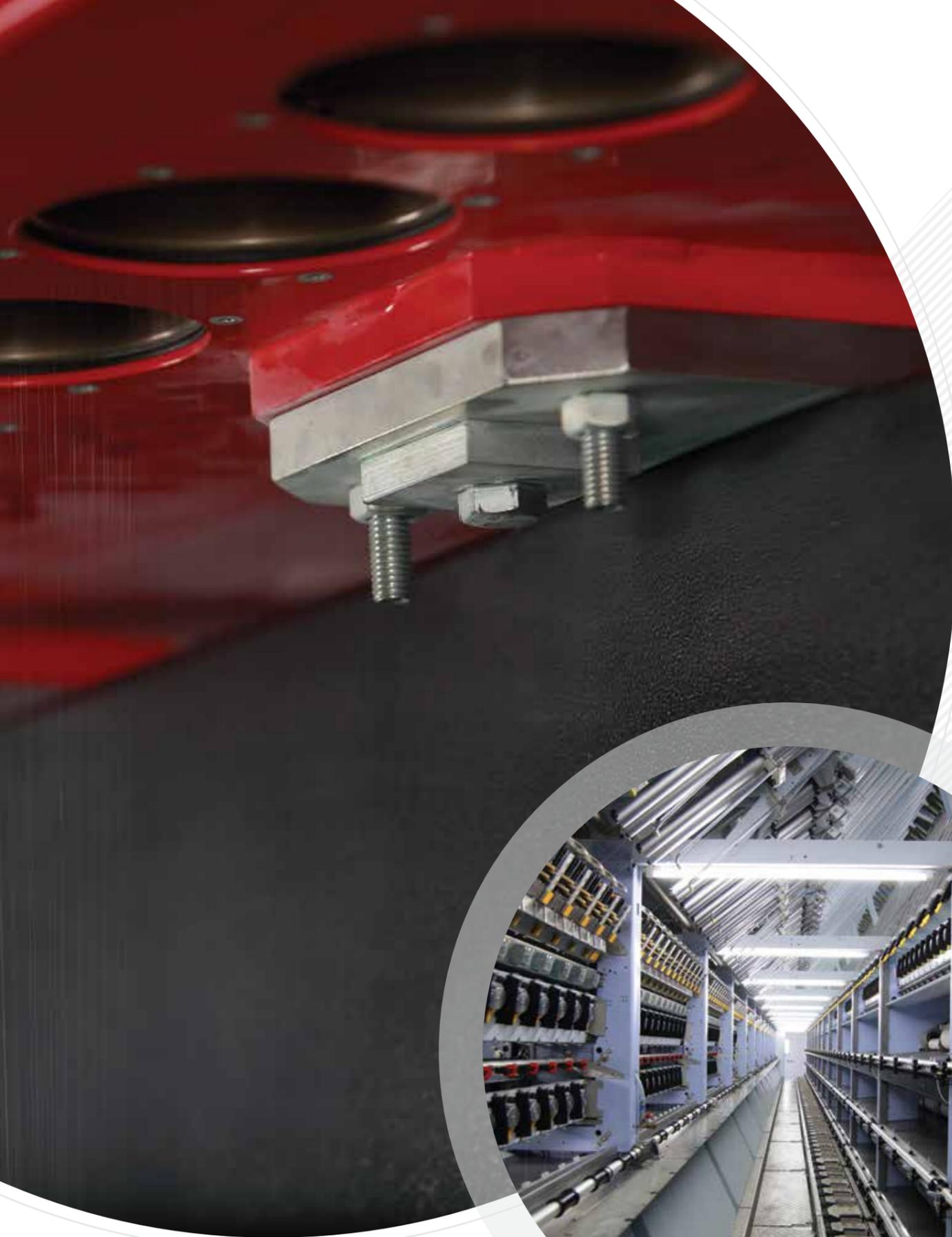
Telephone: +84.66 389 9537 | Fax: +84.66 389 9536

### Representative office

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



CÔNG TY CỔ PHẦN SỢI THỂ KỶ  
CENTURY SYNTHETIC FIBER CORPORATION



## 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 465,358,350,000
Telephone	+84.8 3790 7565   +84.66 389 9537
Fax	+84.8 3790 7566   +84.66 389 9536
Email	<a href="mailto:csf@century.vn">csf@century.vn</a>
Website	<a href="http://www.theky.vn">www.theky.vn</a>
Tax Registration Number	0302018927



## MESSAGE ON SUSTAINABLE DEVELOPMENT

Dear Shareholders, Customers, Partners and Relevant parties,

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 economic, society and communities.

2015 was a difficult year for fiber industry, in general, and STK, in particular. However, STK is still steadfast to its sustainable development model. 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

# CONTENT

## OVERVIEW

Visions - Missions	09
Key Milestones	10
History of Formation	12
Awards and Rankings	14
Scale of Century	16
Ownership Structure of Century	17
Highlights on business areas	18
Sales Mix by Geographic Region	19
Organization Structure	20
BOD Tenure 2013-2018	22
Board of Management	24
Supervision Committee	26

## SUSTAINABLE DEVELOPMENT REPORT 2015

2015 Sustainable Development Report overview	28
Method to determine the report contents	29

## CONTENT

TO BECOME A WORLDWIDE LEADING PIONEER IN TEXTILE SECTOR AND DEVELOPING INTO MULTI-BUSINESS FIELDS RELEVANT WITH OUR CORE BUSINESS	32
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Production performance	34
Quality performance indicators	34
Customers satisfaction	35
Research and Development of new products	35
Business result	35

## CORPORATE GOVERNANCE

Ethical values of the Company	36
Code of conduct with related parties	36

## ENVIRONMENTAL PROTECTION

Raw-material	38
Energy	38
Water Usage	40
Policies against pollution	40
Working environment measurement	44

## HUMAN RESOURCES DEVELOPMENTS

Recruitment Policies	50
Employment Policies	52
Training and Promotion	54
Work Safety	55
Activities for employees' children	55

## RESPONSIBLE FOR COMMUNITY - LOCAL REGION

REFERENCE TABLE OF REPORT CONTENT AND GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES	58
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# ABBREVIATION

BOD	The Board of Directors	HEPZA	Ho Chi Minh City Export Processing and Industrial Zones Authority
CIT	Corporate Income Tax	POC	Plant Operation Center
DTY	Draw Textured Yarn	POY	Partially Oriented Yarn
EAT	Earnings After Tax	STK, CENTURY, Company	Century Synthetic Fiber Corporation
ERP	Enterprise Resource Planning	TPP	Trans-Pacific Partnership
EVFTA	Europe – Vietnam Free Trade Area	USD	US Dollar
FDY	Fully Drawn Yarn	VCOSA	Vietnam Cotton and Spinning Association
FTA	Free Trade Agreement	VND	Vietnam Dong
GRI	Global Reporting Initiative		

# 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

### SERVING CUSTOMERS

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

### UNITING OURSELVES

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

### IMPROVING CONTINUOUSLY

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

### 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

**2000** 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.

**2003** 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.

**2005** 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.

**2008** 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.

**2000** ESTABLISHED FIRST FACTORY AT CU CHI DISTRICT

**2003** INVESTMENT OF CAPACITY EXPANSION

**2005** CONVERTED INTO JOINT STOCK COMPANY - A STRATEGIC REFORM

**2008** COMPLETED FULLY-INTEGRATED CHAIN

**2011** 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 ERP provided by SAP for the Company's entire operation.

**2011** DEVELOPED NEW PRODUCT FDY (FULLY DRAWN YARN) & IMPLEMENTED MANAGEMENT SYSTEM ERP-SAP ALL IN ONE

**2014** 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 USD34.2 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.

**2014** CAUGHT UP THE FIBER WORLD'S TREND & OPPORTUNITIES

**2015** 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).

**2015** OFFICIALLY LISTED ON HO CHI MINH STOCK EXCHANGE (HOSE), SUCCESSFULLY DEVELOP NEW PRODUCT "RECYCLED YARN"

# HISTORY OF FORMATION

Company, Branch, Corporation & Representative Office

2000

On 01 June 2010, STK was established.

2009

STK branch was established.  
STK started construction of Trang Bang Factory.

2011

In Jan. 2011, the first phase of Trang Bang Factory was operated.

2012

In Jun. 2012, the second phase of Trang Bang Factory was put into operation.

2014

In May 2014, STK continued the expansion of Trang Bang Factory - the third phase with total CAPEX of USD 34.2 million.

2015

In September 2015, Trang Bang Factory - the third phase was put into operation.  
STK invested in establishment of Unitex Corporation.

## BRIEF INFORMATION OF UNITEX CORPORATION

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

## AWARD & RANKING



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.

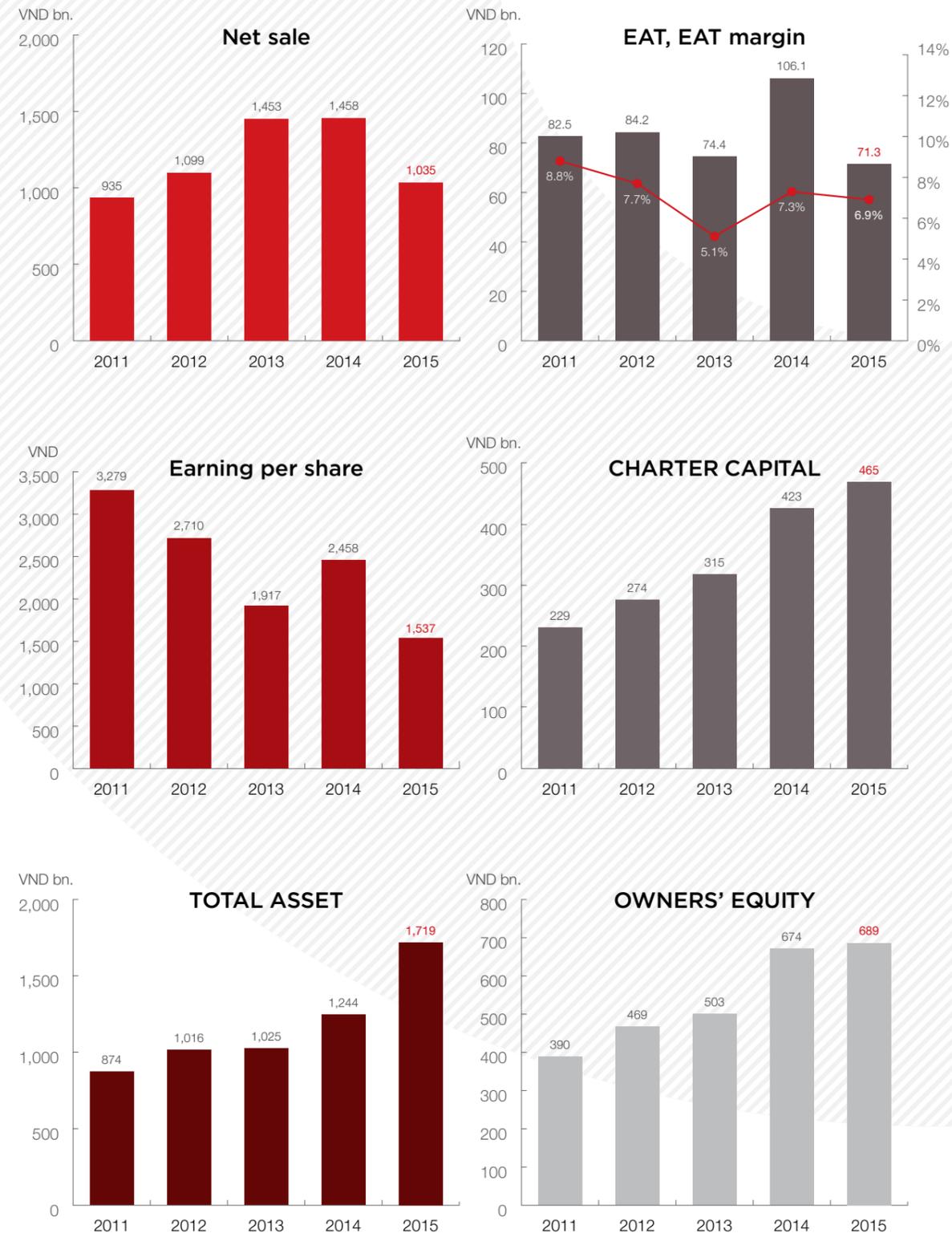
2005

- 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”.

# SALE OF CENTURY

# SHAREHOLDERS STRUCTURE

## PERFORMANCE AND FINANCIAL POSITION INDICATORS



## SHAREHOLDERS STRUCTURE: 395 shareholders (on 26/02/2016)

1. Number of listed shares: **46,535,835** shares.

2. Shareholders classification:

Loại hình cổ đông	Number of shares	Number of shares can be transferred	Proportion %
<b>I. Inside shareholders</b>	14,542,203	14,542,203	31.25%
1. BOD and management team	14,407,712	14,407,712	30.96%
2. Supervision Committee	103,004	103,004	0.22%
3. Chief Accountant	31,487	31,487	0.07%
4. Authorized spoke person			0.00%
<b>II. Treasury shares</b>			0.00%
<b>III. Other shareholders</b>	31,993,632	31,993,632	68.75%
1. Domestic	24,648,061	24,648,061	52.97%
1.1 Individuals	13,982,107	13,982,107	30.05%
1.2 Organizations	10,665,954	10,665,954	22.92%
- In which: state-owned shareholders			0.00%
2. Foreign	7,345,571	7,345,571	15.78%
2.1 Individuals	89,805	89,805	0.19%
2.2 Organizations	7,255,766	7,255,766	15.59%
<b>Total</b>	<b>46,535,835</b>	<b>46,535,835</b>	<b>100.00%</b>

3. Major shareholders (on 26/02/2016):

Name of shareholders	Type of ownership	Nationality	Number of shares	Proportion (%)
Huong Viet Investment Consultant Corporation	Organization	VN	9,381,534	20.16
Dang Trieu Hoa	Individual	VN	6,469,560	13.09
Dang My Linh	Individual	VN	3,969,076	8.53
Dang Huong Cuong	Individual	VN	3,969,076	8.53
Vietnam Holding Limited	Organization	Cayman Islands	3,545,655	7.62
<b>Total</b>			<b>46,535,835</b>	<b>58.74</b>

# BUSINESS HIGHLIGHT

# GEOGRAPHIC SALES MIX

## Scope of business

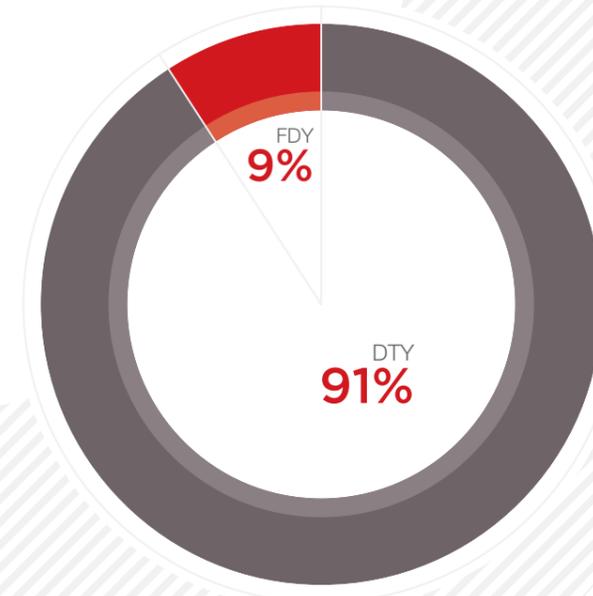
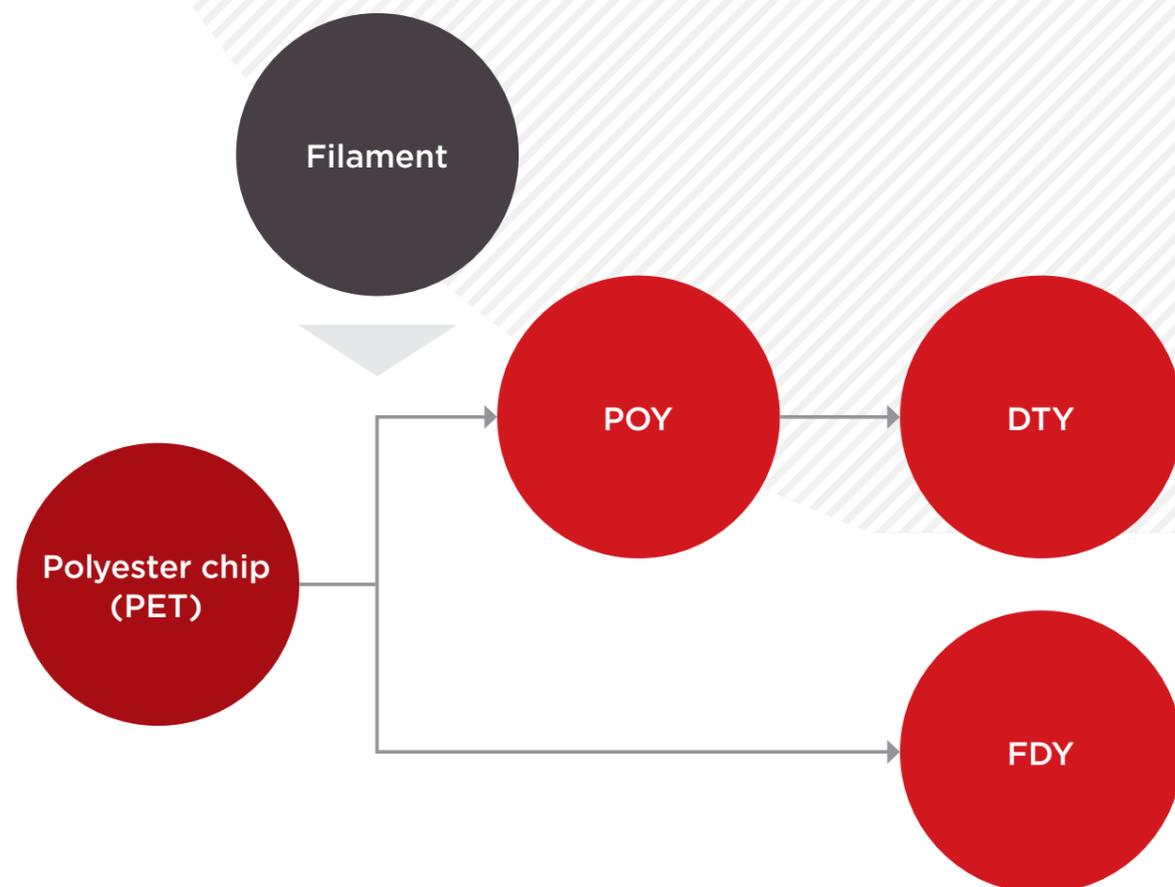
STK specializes in manufacturing and trading high quality polyester filament yarns, such as DTY and FDY.

## Factories

STK has 2 factories located in Cu Chi and Trang Bang , total capacity is 52,000 tons of DTY and FDY.

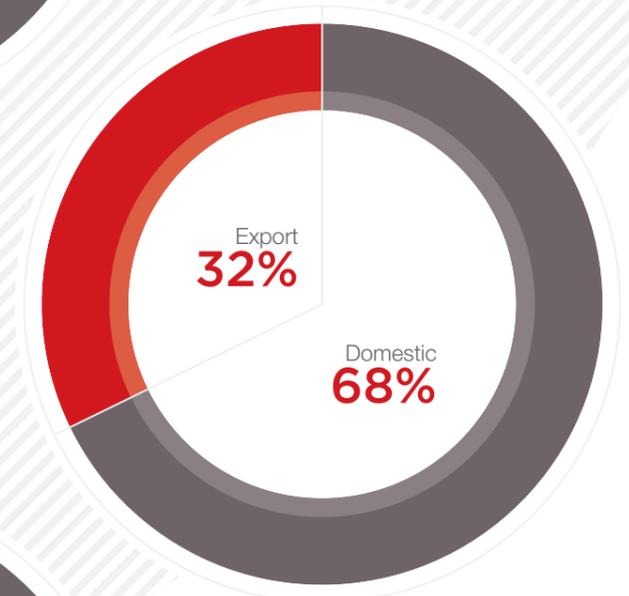
Capacity (tons)	3/2015	7/2015	12/2015
Cù Chi	16,000		
TB1	11,000		
TB2	10,000		
TB3		7,500	7,500
TB4			
<b>Total</b>	<b>37,000</b>	<b>44,500</b>	<b>52,000</b>

## Polyester yarn production process

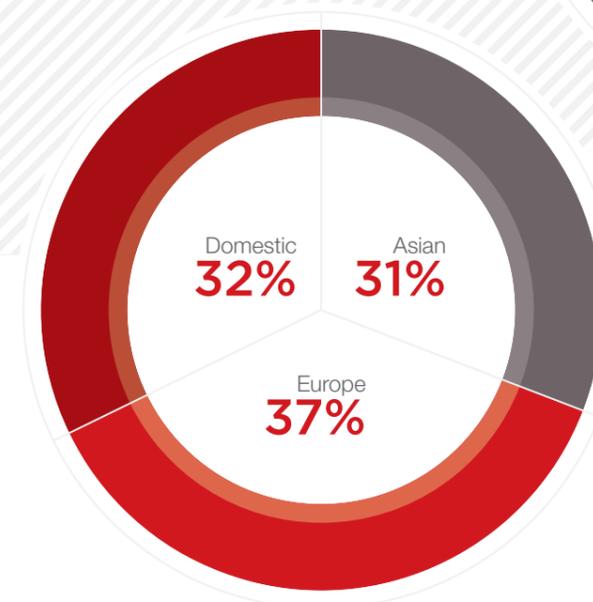


SALES BY PRODUCTS

SALES BY REGION



SALES BY MARKETS



# ORGANIZATION CHART



# BOARD OF DIRECTORS

## TENURE 2013 - 2018



MR. **DANG TRIEU HOA**

Chairman/Managing Director | 47 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 | 50 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 | 40 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 | 53 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 | 44 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 | 54 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:

- 06/2010 to present: Chairman/Managing Director, STK.
- 1995 - 2000: Director, Hoan A Trading & Services Co., Ltd.
- 1991 - 1995: Director, Viet Phu Trading & Services Co., Ltd.



### 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.



### 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. **PHAN NHU BICH**

Deputy 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.



### MR. **BUI TUONG HIEN**

Deputy CEO/Head of Internal Control | Year: 1976

Education: Bachelor of Banking - Finance

#### WORKING EXPERIENCE:

- 01/2010 to present: Head of Internal Control, STK.
- 07/2009 - 12/2009: Assistant to Managing Director, in charge of Finance, STK.
- 05/2008 - 06/2009: Assistant to CFO, RKW Group.
- 05/2007 - 04/2008: Head of Brokerage Department, Dai Viet Securities.
- 1999 - 04/2007: Chief Accountant, Phuoc Tho Ltd.
- 1998: Salary Accountant, An Phuoc Paper Garment Export - Import Company.
- 1997: Accountant, Saigon Construction 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 Programme - 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.



# 2015 SUSTAINABLE DEVELOPMENT REPORT OVERVIEW

2015 is the first year that STK has published the Sustainability Report. To avoid repeating information, STK's Sustainability Report is written along with the Annual Report. With a focus on important topics regarding sustainable development, we hope that the report will provide brief but quality information to shareholders and investors.

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

## Reporting period:

Be prepared for the fiscal year 2015 from the date 01/01/2015 and ending 31/12/2015.

## 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](mailto: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.

## METHODS OF DETERMINING THE REPORT CONTENT

The report content is built up based on the major related parties' concerns and the business environment.

### Business environment

#### Market:

2015 was a year of opportunities and challenges for Vietnam's fiber industry in general and Century in particular. STK always takes initiative in capturing the growth potential of Globe's and Vietnam's garment & textile sector in medium-term and long-term:

- Global garment & textile may sustain a steady growth rate of 3% per annum.
- Trend of production relocation from developed countries to developing countries.
- The benefit of bilateral/multilateral Free Trade Agreement (FTA) that Vietnam has signed with major trading partners such as Japan, Korea, EU and US.
- Polyester filament segment has a highest growth rate of 8.6% per annum.
- Polyester filament is gradually replacing polyester staples and cotton.
- ...

In addition to opportunities, we still have to face many risks and challenges. A series of negative factors have affected Vietnam's fiber companies in 2015 as follows:

- First, as the economic outlook was not bright in major markets such as Europe, Japan, China, the decrease in demand for commodities led to the fall in oil prices as well as fiber prices.
- Many textile and dyeing mills in China, which communes more than 70% of polyester filament produced worldwide, had to be shut down due to the failure to meet the requirements for environmental protections led to the fluctuation in yarn demand. In order to release the inventories, Chinese fiber companies dumped the selling prices in both international and Vietnamese market, forcing fiber prices to fall further.
- Third, the devaluation of Chinese Yuan caused the wave of devaluation in other countries, including Vietnam and negatively affected companies with foreign currency denominated loans.
- Fourth, Turkish government initiated an anti-dumping investigation concerning DTY products from Vietnam. This investigation affected Turkish customers' ordering decisions because they were afraid of the potential imposition of temporary anti-dumping duty.

#### Legal environment:

With Vietnam's signatories in a series of free trade agreements (FTA) such as the Trans-Pacific Partnership (TPP), Vietnam-EU FTA, Vietnam-Korea FTA, Vietnam-EAEU FTA, Vietnam garment and textile industry has attracted the attention of foreign investors. Recently, to capture the benefits of FTA, the domestic and foreign investor has invested in many industrial zones and large scale projects in textile sector. In the context of overheating development of textile industry, Vietnamese government has required the companies to strictly comply with the procedures, law and regulations regarding the environmental protection, and to pay attention to work safety and workers' rights. Besides, when exporting products to other countries, the companies in Vietnam in general and textile industry in particular have to face the risk of anti-dumping lawsuits from importers. This issue requires the textile companies have to take the initiative to prevent and deal with trade remedy measures from importing countries.

As STK is operating in yarn sector and is subject to the Laws of Vietnam and FTA., STK hereby commits to:

- Comply with the procedures, regulations on environmental protection and use environmentally friendly materials.
- Ensure the interests of employee regarding salary, bonus. Comply with the regulations on safety and hygiene at work in order to protect employees' life and health, reserve the employee's working ability in long term.
- Established a fair competition policy. Take initiative in co-operating with industry association and peers in dealing with anti-dumping lawsuits.

## The consultation of related parties



Related parties	Connection to related parties	Consulting content and expected feedback from related parties
Shareholders	<ul style="list-style-type: none"> <li>- Annual general meeting of shareholders.</li> <li>- Investor meetings.</li> <li>- STK's periodic reports.</li> <li>- Information disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>- Transparent information.</li> <li>- Good business administration system.</li> <li>- Business efficiency, finance.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Monthly/ Quarterly meeting with customers.</li> <li>- Customer satisfaction survey.</li> <li>- Reporting documents for customers.</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability and operating safety.</li> <li>- Product quality.</li> <li>- Price.</li> <li>- Contract terms.</li> <li>- Customer services.</li> <li>- Technology, operating capabilities.</li> <li>- Professional in providing services.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Shift hand over meetings.</li> <li>- Programs to call for employees participation (internal meetings to discuss the vision and mission ...).</li> <li>- Trade Union conference.</li> </ul>	<ul style="list-style-type: none"> <li>- Working environment.</li> <li>- Salary, bonus and welfares.</li> <li>- Training.</li> <li>- Management and successive personnel.</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>- Independent survey of market study.</li> <li>- Industry reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Transparent and fair competition.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- The meetings to exchange information, purchasing plans.</li> <li>- The visits to suppliers' factories.</li> </ul>	<ul style="list-style-type: none"> <li>- Prestige and sustainable partnership.</li> <li>- Operating efficiency and professionalism.</li> </ul>

Government	<ul style="list-style-type: none"> <li>- Reports for the government authorities.</li> <li>- Participate in government's meetings.</li> <li>- Government's inspection.</li> <li>- Achieve necessary certifications to ensure stable business operation.</li> </ul>	<ul style="list-style-type: none"> <li>- Conform to the law.</li> <li>- Required certifications, permits.</li> <li>- Support for community development..</li> </ul>
Partnering banks	<ul style="list-style-type: none"> <li>- Contract.</li> <li>- Email.</li> <li>- The meetings to exchange the information.</li> </ul>	<ul style="list-style-type: none"> <li>- Transparent in business management system.</li> <li>- Professional financial management system.</li> </ul>
Local community	<ul style="list-style-type: none"> <li>- Collect information from local community agencies through social and community support activities.</li> </ul>	<ul style="list-style-type: none"> <li>- To be responsible, share values and jointly develop community.</li> </ul>
Industry Association (VCOSA)	<ul style="list-style-type: none"> <li>- Email.</li> <li>- The meetings to exchange the information.</li> </ul>	<ul style="list-style-type: none"> <li>- To be a member actively sharing information and contributing to industry development.</li> </ul>

## Key topics of The Sustainability Report:



## Report assurance by third party:

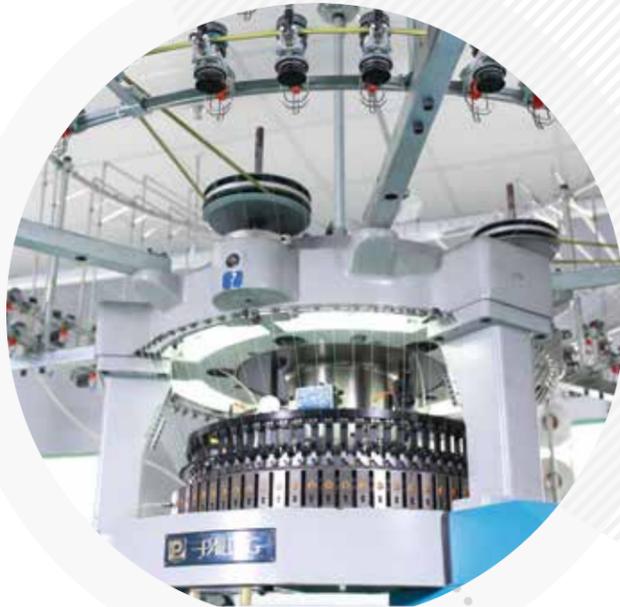
STK adheres to the principles of honesty, accuracy and transparency regarding the disclosure of the data in the reports. Besides, the following data on STK's operations have been assured by the third party to ensure the accuracy, reliability and comprehensiveness of the statistics:

- 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 result of working environment that has been certified by Consultancy Center of Occupational Safety Health and Environmental Technology.
- Information on the result of environmental inspection that has been certified by Center for Environment and Technology Services
- Financial information that has been audited by Ernst & Young.

# CONTENT

## I. TO BECOME A WORLDWIDE LEADING PIONEER IN TEXTILE SECTOR AND DEVELOPING INTO MULTI-BUSINESS FIELDS RELEVANT WITH OUR CORE BUSINESS

An aim to provide high quality products at a competitive prices and outstanding customer services, STK has applied the following solutions:



### MODERN FACILITIES

- Machineries are provided by Oerlikon Barmag.
- SAP Business All-in-One.
- Plant Operation Center (POC).



### APPLIED MODERN MANAGEMENT PRACTICES

- **ISO 9001 - 2008:** To ensure all operations conform to the established procedures and industry standards.
- **5S:** Organized a work space for safety, convenience, tidy and removing the 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 focus on eliminating waste, maximizing resources, shortening production cycle and increasing the ability to meet the customer 's technical specification.

### SKILLFUL AND MOTIVATED WORKFORCE

- High standards for recruitment.
- Continuous training.



Based on the market situation, STK sets the KPIs for the annual operations plan:

- Average utilization rate of approximately 90%.
- Quality standards: the proportion of A, B, C category and the proportion of wasted yarn.
- Customer's satisfaction.
- New product development
- Business plan.

In fact, the Company's performance 2015 was as follows:

## Production performance

	2011	2012	2013	2014	2015
Production capacity (tons/year)	26,000	37,000	37,000	37,000	40,200
Actual working days	299.30	288.35	328.50	345.74	313.04
Utilization rate (%)	82%	79%	90%	94%	85.77%
Actual production volume (tons)	17,833	23,080	30,375	32,442	34,783
Selling volume (tons)	16,900	22,930	31,525	33,053	26,885

## Quality performance indicators

Production section	KPIs	Unit	Performance 2015	Targets 2015	Increase/ decrease +/-
POY	Premium AF category	%	95.60%	96.37%	0.77%
	Wasted yarn	%	1.10%	0.96%	-0.14%
DTY	Premium AA category	%	88.39%	90.67%	2.28%
	Wasted yarn	%	0.71%	0.71%	0.00%
FDY	Premium AA category	%	94.52%	95.00%	0.48%
	Wasted yarn	%	1.81%	1.60%	-0.21%

## Key performance indicators (KPIs) for production in 2016

In 2016, the Company has set KPIs for production as follows:

KPIs	POY	DTY	FDY
Premium AA category	≥99.12%	≥98.6%	≥99%
Premium AF category	≥ 96.42%		≥ 95.5%
Premium AAA + AA category		≥91%	
Wasted yarn	≤0.95%	≤0.68%	≤1.5%

To achieve these targets, in 2016 the Company will strictly carry out the standard operating procedures, production conditions, staffs assignment, quality control on each machines, maintenance and hygiene standards.

## Customers satisfaction

In 2015, STK issued the Customer Complaints Resolution Procedure in order to control the quantity and quality of products as well as the customer satisfaction. This complaints procedure concerns complaints about sale services, delivery, quality of products, package, etc, which affect to the quality of product and the Company's reputation. The complaint must be resolved within 30 days upon the receipt of the complaint.

According to 2015 statistics, the proportion of customer's complaints was 3.56% of the total orders. After receiving the complaints, the Company proactively contacts customers or visits to customers' premises to get the sample items, analyzes the causes and provides solutions for customers. In case the customers need yarn urgently, to ensure the progress of their customers' orders, the Company can flexibly change other shipments before defining the causes. With the efforts to achieve customers satisfaction, most customers are pleased with the Company's solutions and continuously coordinate with STK, becoming the loyal customers of the Company.

## Research and Development new products

- Develop and R&D: recycled yarn, flame - retardant, anti UV yarn, hollow yarn.
- Invest in vertical integration; coordinate with strategic partners in order to create a supply chain from Yarn-Textile and Dyeing, increasing added-value for the Company.

## Business result

KPIs	Budget 2015	Actual 2015	Actual vs. Budget	
(a)	(1)	(2)	(3) = (2) - (1)	(4) = (2)/(1)
DTY, FDY sales volume (Kg)	40,939	26,885	-14,054	66%
Net sales	1.695	1.035	-660	61%
Profit After Tax	116	71.3	-44.7	61%

(For more details, please refer to the Annual Report 2015)

## II. CORPORATE GOVERNANCE

To manage and control the business operation in order to achieve the economic objectives, enhance the trust of the investors, STK always focuses on building the policies, the rules to define the rights and the obligations of related parties as well as the procedures for execution of those rights and obligations, the decision-making process.

Besides STK's Charter, Corporate Governance Rules, Information Disclosure Regulations and Financial Regulations, the Company also issues STK's Code of Conduct.

### 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 optimum 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 relevant parties.
- 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 developed their abilities.

### Code of conduct with related parties

#### For shareholders:

Shareholder is an important part 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.
- Supply 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 by the after-sales policies, customer care in accordance with the common standards accepted by both parties.

- The Company commits to treat fairly, truthful and respects the customers, builds the relationship based on mutual benefits.
- Aims to build and maintain the customers 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", 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 ensure fully 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 regulations 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 as equal, 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 carry out negative behaviors 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 is responsible for feedback, providing information on media. Other departments are not allowed to contact or answer any questions related to the Company.

#### Prevention of interest conflict with related parties:

Members of the BOD, Supervision Committee, Board of Management, and other managers ("Managers") must comply with the Article 33 of STK's charter regarding transparency and must avoid the conflict of interest.

To ensure the interests of shareholders and related parties, STK always complies with the laws, regulations, Corporate Governance Rules and Information Disclosure Regulations.

*(For more information about corporate governance, please refer to annual report 2015).*

### III. ENVIRONMENTAL PROTECTION

Environmental protection is one of the most important goals of STK. The Company complies with the regulations of environment protection such as: Environmental Protection Law: 55/2014/QH13, dated 23/06/2014, valid from 01/01/2015; Decree No. 80/2014/NĐ-CP dated 06/8/2014 by government about water irrigation and waste water treatment; Circular No. 12/2011/TT-BTNMT on hazardous waste and other regulations of environmental protection. The Company made a written commitment to protect the environment (for Cu Chi) and prepared the report on environmental impact (Trang Bang Factory), both of which were approved by the Authorities. Besides, the Company implements 5S to preserve the natural, green, clean and beautiful landscape and environment. To ensure that all operations are adhered to the laws, the Company has assigned an employee to be responsible for monitoring the environment and solving the problems timely.

In production, the Company has launched the "Green Production" program with the objective of minimizing environmental pollution and sewages, using recycled raw-materials, reducing the usage of natural resources, minimizing the environmental impacts by production activities.

#### 1. Raw-material

Currently, about 90% raw materials of STK (PET chip, oil) are imported from major countries such as South Korea, Taiwan, Japan and Germany. Remaining small proportion (mainly paper tube and carton) was sourced from China and Vietnam. The quality of the raw-materials is always one of top requirements of the Company for the suppliers.

No	Material	Nation
1	Polyester Chip	Korean, Taiwan, Japan, China.
2	Oil	Taiwan, Japan, Germany
3	Paper tube	China, Vietnam, Taiwan
4	Carton box	Vietnam
5	Other components	Germany, Taiwan, Switzerland, China.

STK sets out three main objectives: (1) reducing the cost of raw-material, (2) using the raw-materials efficiently, (3) using environmentally friendly materials. In 2015, purchasing department is very active in strictly complying with the policy on material supplier selection, expanding network of suppliers, choosing substitute products, negotiating the contracts... to save the product costs, ensure the quality of raw-materials and reduce the proportion of wasted yarn.

The main raw-materials such as PET chip (a derivative of crude oil and gas), spinning oil, coning oil (both types of oils are cellulose based) are environmentally friendly materials so using them in the production process does not pollute the environment. The main suppliers such as Tainan, Kolon, Indorama, Schiller & Schneider, Matsumoto, Takemoto Oil & Fat Company Ltd. are the leading international companies who always comply with regulations on environmental protection.

In order to save the cost of products and use the raw-materials efficiently, STK always sets a norm for using raw-materials and the proportion of wasted yarn. Wasted yarn was sold to West Pacific Co. LTD. and another individual. It will be converted into glue before exporting to China.

In addition, STK pays tax of VND 900/kg for imported oil. The contractor, who bought the empty container of oil, must provide certificate for processing hazardous waste. With the aim of using the environmental friendly raw-materials, the Company has made a trial production of recycled yarn from recycled PET chip (PET chip was recycled from PET bottles), the result is very positive. According to the 2016 plan, the Company will manufacture recycled yarn with expected capacity of 1800 tons per year.

#### 2. Energy

Saving energy is one of major concerns at STK. The Company has actively cooperated with HCMC Energy Conservation Center on energy audit, in order to find out the feasible energy saving plan for business units, hence developing a energy saving plan for 5years through survey and collecting data. Besides, the Company also sets out the norms of electricity consumption for particular machineries, evaluates the performance by comparing the actual data with the norms, and takes timely measures to improve the energy efficiency.

Some energy saving techniques which have been implemented at CSF during the period 2013-2015 are as follows:

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: 360 kWh/day/2 machines The rate of electricity consumption saving: 2.14% compared with the purpose of using. Saving cost: VND 180,000,000/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 equipments while ensuring ambient temperature, enhance longevity of machineries.	The amount of electricity consumption saving: 198.2 kWh/day. The rate of electricity consumption saving: 33%. Saving cost: VND 98,000,000/year	0
Renovate new burner nozzles for DTY machines. New specification is 1.2 mm (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: 1,800 kWh/day. The rate of electricity consumption saving: 18% Saving cost: VND 900,000,000/year	800,000,000
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: VND 108,000 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: VND 851,148/month	0

#### Power-saving solutions in 2016

The Company sets a target to save 2% electricity consumption per day, equivalent to 3000 kWh/day in 2016. This target is based on the principles and specific actions as follows:

For Trang Bang 3 plant and Trang Bang 4 plant (Trang Bang 4 is expected to start operations in June 2016): The Company has actively invested in modern machineries to reduce the electricity consumption per unit of product.

For Trang Bang 1 plant and Trang Bang 2 plant: The Company has invited 2 consulting firms to provide the advanced power-saving solutions. After survey, the Company will implement the pilot solutions at the end of March 2016 as follows:

- Using inverter to control the water pump, AC cooling fans.
- Using inverter to control the Chiller
- Replacing high-pressure lamps with LED lights.
- Using compressed air appropriately.
- Reducing air conditioning usage when environmental temperature drops below 27°C.

Besides, the Company also deploys some methods of electric power rationalization such as: to split the lights at entropot area and DTY machines, to control standard of yarn dot in order to save gas, and to control the capacity of compressors, operate sensibly the machineries to avoid wasting electricity, propagandize saving power to all departments.

### 3. Water usage

Source of water used at STK is clean and provided by Industrial Zone for production and human usage. The Company controls the water consumption norms. These norms are built at the beginning of the year, based on the production volume, power outage (20 times/ year), maintenance cycles, the procedure for changing the water used of AC reservoirs and cooling towers. This KPI is reported to the production departments and others.

In 2015, the Company implemented some improvement solutions as follows:

- Control water consumption per day and per shift (there are 3 shift per day) by monitoring the water usage per shift.
- When there is a major difference, the Company will investigate the cause in order to resolve it.
- Inform the other departments of the existing water use situation by monthly report.
- Reuse water from air compressors, AC reservoirs (Barmag).
- Adjust the propeller of cooling tower to reduce the evaporation and feed water.
- Coordinate with administration department to build the reservoir in order to contain water from the compressors, dryers for watering plants.

	Unit	2013	2014	2015
Water consumption	m <sup>3</sup>	145,137	161,901	212,481
Cost	VND	859,030,058	1,095,366,084	1,643,732,100
Rate	m <sup>3</sup> /ton	0.003	0.003	0.004

In 2015, the water consumption increased as compared to 2014. The reasons for this increase were as follows: As Trang Bang 3 plant was assembled with machinery and put into operations, the number of employees increased rapidly in 2015. In 2016, The Company will install the water clock to control the consumption for watering plants, washing vehicles and cafeterias.

In 2016, the Company is expected to launch solutions such as: reuse water of AC reservoirs, to reduce the water level of compressor, and to reduce the water level of air conditioner to save water. The Company is set the target as reducing by 30 m<sup>3</sup>/day for Trang Bang 1 and 2.

### 4. Policies against pollution

The Company carries out measures to prevent environmental pollution in accordance with the environmental protection law such as: Environmental monitoring is conducted four times yearly, working environment monitoring report, waste management control, emission monitoring. The Company usually checks the rain-water drainage system and waste water treatment system to ensure the quality of wastewater before discharging to wastewater treatment system of Industrial Zone.

#### a. Air monitoring results at the entrance:

AT THE ENTRANCE								
No	Items	QCVN 05:2009/BTNMT	QCVN 26:2010/BTNMT	Unit	RESULTS			
					1Q2015	2Q2015	3Q2015	4Q2015
<b>A CU CHI</b>								
1	Temperature	-		°C	30.4	30.7	30.8	30.1
2	Noise	-	70(")	dB(A)	59.1	58.1	60.9	62.3
3	Dust	0.3		mg/m <sup>3</sup>	0.13	0.17	0.16	0.14
4	NO <sub>2</sub>	0.2		mg/m <sup>3</sup>	0.067	0.071	0.053	0.05
5	SO <sub>2</sub>	0.35		mg/m <sup>3</sup>	0.066	0.069	0.064	0.061
6	CO	30		mg/m <sup>3</sup>	2.03	2.13	3.1	3.63
<b>B TRANG BANG</b>								
1	Temperature	-		°C	30.4	30.7	30.8	29.7
2	Noise	-	70(")	dB(A)	62.7	63.1	63.8	64.2
3	Dust	0.3		mg/m <sup>3</sup>	0.12	0.14	0.16	0.15
4	NO <sub>2</sub>	0.2		mg/m <sup>3</sup>	0.041	0.053	0.046	0.049
5	SO <sub>2</sub>	0.35		mg/m <sup>3</sup>	0.053	0.046	0.054	0.058
6	CO	30		mg/m <sup>3</sup>	2.15	3.27	3.6	3.87

→ The results of air monitoring at the entrance were conform to QCVN 05:2009/BTNMT and QCVN 26:2010/BTNMT.

PRODUCTION SECTOR	No.	Items	TCVS 3733/2002/ QB-BYT	Units	Sample	1Q2015				2Q2015				3Q2015				4Q2015			
						N/m DTY	N/m POY	N/m DTY	N/m DTY	N/m DTY	N/m POY	N/m DTY	N/m DTY	N/m DTY	N/m POY	N/m DTY	N/m DTY	N/m DTY	N/m DTY	N/m DTY	N/m DTY
<b>CÙ CHI</b>																					
1	Nhiệt độ		≤32	°C		1	30.8	30.7	30.3	30.5	30.7	30.1	30.1	30.4	30.2	30.1	30.1	30.2	30.5		
2	Độ ồn		≤85	dB(A)		2	30.3	30.3	83.2	29.3	81.7	30.2	82.2	84.7	29.7	83.5	84.4	83.1	84.2		
3	Bụi		8	mg/m <sup>3</sup>		1	0.17	0.14	83.1	0.15	80.9	0.19	81.1	83.8	0.15	82.5	82.3	84.2	0.11		
4	NO <sub>2</sub>		10	mg/m <sup>3</sup>		2	0.12	0.13	0.14	0.11	0.11	0.17	0.14	0.13	0.13	0.14	0.13	0.12	0.12		
5	SO <sub>2</sub>		10	mg/m <sup>3</sup>		1	0.112	0.089	0.089	0.122	0.081	0.079	0.092	0.103	0.103	0.095	0.103	0.082	0.082		
6	CO <sub>2</sub>		40	mg/m <sup>3</sup>		2	0.071	0.072	0.072	0.06	0.065	0.083	0.077	0.134	0.115	0.134	0.16	0.109	0.104		
<b>TRANG BANG</b>																					
1	Temperature		≤32	°C		1	30.4	30.4	82.1-83.4	29.3	81.2-83.3	30.7	82.4-84.8	29.3	80.3-83.8	29.8	80.6-83.1	29.8	81.5-84.5		
2	Noise		≤85	dB(A)		1	62.7	63.1	63.8	64.2	63.8	64.2	64.2	64.2	64.2	64.2	64.2	64.2	64.2		
3	Dust		8	mg/m <sup>3</sup>		1	0.12	0.14	0.16	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12		
4	NO <sub>2</sub>		10	mg/m <sup>3</sup>		1	0.079	0.072	0.072	0.081	0.081	0.082	0.072	0.072	0.076	0.076	0.086	0.086	0.087		
5	SO <sub>2</sub>		10	mg/m <sup>3</sup>		1	0.072	0.072	0.072	0.092	0.092	0.07	0.085	0.085	0.063	0.063	0.09	0.09	0.074		
6	CO		40	mg/m <sup>3</sup>		1	4.15	4.15	4.15	3.72	3.72	4.35	4.35	3.76	3.76	3.98	3.98	3.2	3.67		
7	VOC		-	mg/m <sup>3</sup>		1	9.12	9.12	12.36	5.24	5.24	5.1	5.1	7.65	7.65	4.85	4.85	5.69	5.69		

→ The results of air monitoring at production sector were conform to TCVS 3733/2002/QB-BYT

### b. Emission

STK conducts emission monitoring as requirement. Actually, the Company does not generate emission since the Company does not use stream generator.

No	Parameters	QCVN 19:2009/BTNMT (Column B) (Kq=1,0; Kf=1,0)	Unit	Results			
				1Q2015	2Q2015	3Q2015	4Q2015
<b>TRANG BANG</b>							
1	Temperature	-	°C	132	108	132	120
2	Dust	200	mg/Nm <sup>3</sup>	107	78	107	95.2
3	Bụi	850	mg/Nm <sup>3</sup>	218	209	218	60
4	NO <sub>x</sub>	500	mg/Nm <sup>3</sup>	237	171	237	154
5	SO <sub>2</sub>	1000	mg/Nm <sup>3</sup>	320	362	320	210
6	CO	30	mg/Nm <sup>3</sup>	2,15	3,27	3,6	3,87

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

### c. Wastewater

STK's waste water is from activities of employees and manufacturing process. Currently, the Company has 2 separate systems for rain water and waste water. STK's wastewater treatment system with capacity of 22 m<sup>3</sup>/day only treats waste water from dyeing and quality control activities. After waste water is treated to achieve standard B-QCVN 2011/BTNMT by Company's system, it will be discharged to industrial zone's waste water system and treated to achieve standard A-QCVN 2011/BTNMT. Domestic waste water is directly discharged to the centralized waste water system of Industry zone.

The parameters and results of monitoring of water:

No	Parameters	QCVN 40:2011/BTNMT (Column B)	Unit	RESULTS			
				1Q2015	2Q2015	3Q2015	4Q2015
<b>CU CHI</b>							
1	pH	5-9	-	6.59	6.69	7.5	7.62
2	BOD <sub>5</sub>	50	mg/l	48	53	42	40
3	COD	150	mg/l	91	95	94	86
4	TSS	100	mg/l	68	69	56.3	41.6
5	Total Nitrogen	40	mg/l	8.063	8.163	7.324	8.03
6	Total Phosphorus	6	mg/l	2.281	2.381	2.837	3.19
7	Total Coli-form/100ml	5000	MPN	3600	4600	4000	4200
<b>TRANG BANG</b>							
1	pH	5-9	-	6.57	7.29	7.3	8.02
2	BOD <sub>5</sub>	50	mg/l	43	41	40	37
3	COD	150	mg/l	72	86.4	73	82
4	TSS	100	mg/l	58	62.4	63.7	56.7
5	Total Nitrogen	40	mg/l	6,51	10.36	5.63	7.24
6	Total Phosphorus	6	mg/l	3.523	3.476	3.109	4.9
7	Total Coli-form/100ml	5000	MPN	4100	4200	4400	4000

→ Standards of waste water are consistent with the standards of the Ministry of Natural Resources and Environment.

### Waste water statistic:

		Unit	2013	2014	2015
Waste water	Cu Chi	m <sup>3</sup>	4,564	9,479	11,482
	Trang Bang	m <sup>3</sup>	6,954	7,053	14,581
	Total	m <sup>3</sup>	11,528	16,532	26,063
Total cost for waste water treatment	Cu Chi	VND	17,753,960	47,244,930	53,850,580
	Trang Bang	VND	30,867,948	71,308,290	217,946,267
	Total	VND	48,621,908	118,553,220	271,796,847

According to the statistics, the volume of waste water and actual waste water treatment cost has increased over the years. After analyzing the reason underlying the surge, beside the increase in production capacity and number of employees, STK has discovered that the volume of waste water increased sharply on rainy days because rain-water flew into the waste water piping system. In 2016, the Company will fix this problem.

### d. Hazardous waste

The Company has 2 types of solid waste such as: hazardous waste and nonhazardous solid waste. Annually, the Company submits the hazardous waste report (2 times per year) for Ministry of Natural Resources and Environment.

- For non-hazardous waste: the Company collects to the storage, signs contract with functional organizations for collection, transport and treatment.
- For hazardous waste: the Company has a separate storage, labeling hazardous waste code for each items, and signs contract with functional organizations for collection, transport and treatment.

In 2015, the Company attempted to reduce the amount of hazardous waste.

No.	Name of waste	Code of hazardous waste	Unit	2014	2015	Treatments
1	Clouts with oil stain	18 02 01	Kg	372.0	84	Burning
2	Ink containers for printing, fax machines	08 02 04	Kg	3.5	4	Burning
3	Waste oil	17 06 01	Kg	100.0	45	Burning
4	Fluorescent lamp	16 01 06	Kg	25.0	5	Solidification
5	Iron barrels	18 01 02	Kg	24,849.0	13,582	Recycled
6	Plastic barrels	18 01 03	Kg	3,240.0	5,297	Recycled
<b>Total</b>				<b>28,589.5</b>	<b>19,017</b>	

→ Result: In 2015, the hazardous waste volumes decreased by 33% as compared to 2014.

## 5. Working environment measurement

To avoid occupational diseases and to ensure employees' health, the Company coordinated with Consultancy Center of Occupational Safety Health and Environmental Technology to conduct measurements of working environment in order to determine the risks, take corrective measure to minimize the impact of these risks in working environment.

- **Measuring method:** The indexes, including microclimate, light, noise, dust, toxicant technical positions are measured by the technical routine method developed by Institute for Occupational and Environmental Health 2002 - Ministry of Health.

- **Applicable standards:**

Decision No.3733/2002/QĐ-BYT - Occupational Safety and Health Standards

Vietnam standard 5508:2009 - microclimate in workplace air.

### a. Concentration of dust

ALLOWABLE LIMITS		Total dust (mg/m3)			
Occupational Safety and Health Standards (According to Decision No. 3733/2002/QĐ-BYT 10/10/2002)		≤ 6			
No.	POSITION	CU CHI		TRANG BANG	
		Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
<b>DTY factory</b>					
1	The head of the factory	2.01		1.90	
2	The middle of the factory	1.92		1.87	
3	The end of the factory	1.90		1.79	
4	Winder workshop	1.80		1.88	
5	Spinning workshop	1.78		1.87	
<b>Total</b>		<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>

### b. Microclimate

ALLOWABLE LIMITS		Temperature (°C)		Humidity (%)		Wind speed (m/s)	
		18-32		40-80		0.2-1.5	
No	POSITION TCVN 5508:2009	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
Outdoor, date: 06/08/2015							
<b>CU CHI</b>							
<b>DTY Factory</b>							
1	Machine 7	31.4		63.8		0.2	
2	Machine 8	31.5		64.9		0.2	
3	Machine 9	31.9		64.7		0.2	
4	Machine 11	32.0		70.3		0.2	
5	Machine 12	31.7		70.6		0.2	
6	Machine 13	31.5		70.5		0.2	
<b>Winder workshop</b>							
7	The front of the workshop	29.8		64.2		0.2	
8	The back of the workshop	29.3		65.3		0.2	
<b>Spinning workshop</b>							
9	The front of the workshop	31.8		57.6		0.2	
10	The back of the workshop	32.0		56.8		0.2	
<b>Total</b>		<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>
<b>TRANG BANG</b>							
<b>DTY factory</b>							
1	Machine 34	30.7		70.1		0.2	
2	Machine 31	30.5		59.8		0.2	
3	Machine 27	30.6		59.7		0.2	
4	Machine 28	30.4		70.2		0.2	
5	Machine 24	30.1		70.3		0.2	
6	Machine 25	30.5		69.8		0.2	
<b>Winder workshop</b>							
7	The front of the workshop	28.2		57.3		0.2	
8	The back of the workshop	28.1		57.4		0.2	
<b>Spinning workshop</b>							
9	The front of the workshop	32.0		47.8		0.2	
10	The back of the workshop	31.6		47.9		0.2	
<b>Total</b>		<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>

c. Lighting

ALLOWABLE LIMITS		Light (Lux)		Light (Lux)		Occupational Safety and Health Standards (According to Decision No. 3733/2002/QĐ-BYT 10/10/2002)		
No.	POSITION	Qualified Samples	Unqualified Samples	POSITION	Qualified Samples		Unqualified Samples	
<b>CU CHI</b>				<b>TRANG BANG</b>				
DTY factory				DTY factory				
1	Machine 7	310		Machine 34	340			
2	Machine 8	330		Machine 31	320			
3	Machine 9	300		Machine 27	325	≥ 300 Applied to spinning, rolling, winder and dyeing workshop.		
4	Machine 11	340		Machine 28	300			
5	Machine 12	360		Machine 24	330			
6	Machine 13	320		Machine 25	350			
Winder workshop				Winder mill				
7	The front of the workshop	330		The head of the mill	310		≥ 300 Applied to spinning, rolling, winder and dyeing workshop.	
8	The back of the workshop	320		The end of the mill	330			
Spinning workshop				Spinning mill				
9	The front of the workshop	510		The head of the mill	320	≥ 300 Applied to spinning, rolling, winder and dyeing workshop.		
10	The back of the workshop	490		The end of the mill	310			
<b>Total</b>		<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>			

d. Poison gas

ALLOWABLE LIMITS		HC (mg/m <sup>3</sup> )		CO <sub>2</sub> (mg/m <sup>3</sup> )	
Occupational Safety and Health Standards According to Decision No. 3733/2002/QĐ-BYT 10/10/2002)		≤ 300		≤ 900	
No.	POSITION	Qualified Samples	Unqualified Samples	Qualified Samples	Unqualified Samples
<b>CU CHI</b>					
DTY factory					
1	The front of the factory	1.45		510	
2	The middle of the factory	1.29		495	
3	The back of the factory	2.03		470	
4	Winder workshop	2.18		450	
5	Spinning workshop	3.57		470	
<b>TOTAL</b>		<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>
<b>TRANG BANG</b>					
DTY factory					
1	The front of the factory	1.05		520	
2	The middle of the factory	1.41		500	
3	The back of the factory	1.16		480	
4	Winder workshop	2.64		510	
5	Spinning workshop	4.11		520	
<b>TOTAL</b>		<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>

e. Noise

ALLOWABLE LIMITS		General bass (dBA)	Bass in different band (Hz)							
No.	POSITION		63	125	250	500	1K	2K	4K	8K

CU CHI

DTY Factory										
1	Machine 7	92	62.7	64.5	66.5	67.4	80.7	79.6	77.5	73.4
2	Machine 8	93	63.2	65.2	67.9	69.5	82.4	81.0	79.5	77.6
3	Machine 9	92	61.0	62.7	63.3	65.2	81.1	79.5	78.2	76.3
4	Machine 11	91	59.7	61.4	63.7	64.2	81.1	79.0	77.4	75.2
5	Machine 12	93	63.0	65.2	67.8	69.5	82.6	80.4	79.2	77.4
6	Machine 13	90	60.3	61.6	63.0	64.9	80.8	79.5	77.4	75.0
7	Winder workshop	89	57.8	59.6	60.7	61.8	80.2	78.5	76.7	74.3
8	Spinning workshop	84	52.6	54.3	55.9	57.2	62.4	61.1	59.2	58.1

TRANG BANG

DTY Factory										
1	Machine 34	93	62.9	63.2	65.5	66.2	81.2	80.5	79.4	77.2
2	Machine 31	92	61.5	62.9	64.1	65.9	80.9	79.2	78.2	77.0
3	Machine 27	92	60.3	61.5	62.8	64.3	80.4	78.9	78.3	76.4
4	Machine 28	93	63.5	65.1	66.2	67.9	82.9	79.4	78.3	77.5
5	Machine 24	92	59.9	61.2	63.4	64.9	81.1	79.9	77.3	75.2
6	Machine 25	92	60.2	61.5	63.7	64.5	80.5	78.6	77.6	74.8
7	Winder workshop	89	57.4	58.6	60.1	61.1	80.3	79.5	77.2	74.3
8	Spinning workshop	84	56.6	57.9	59.3	61.2	63.5	61.8	60.2	59.3
Occupational Safety and Health Standards (According to Decision No. 3733/2002/QĐ-BYT 10/10/2002)		≤ 85	≤ 99	≤ 92	≤ 86	≤ 83	≤ 80	≤ 78	≤ 76	≤ 74

CONSOLIDATED RESULTS OF MEASURE, TEST WORKING ENVIRONMENT

	Temperature	Humidity	Wind speed	Light	Noise	Dust	THC	CO <sub>2</sub>
	CC TB	CC TB	CC TB	CC TB	CC TB	CC TB	CC TB	CC TB
Total samples	10	10	10	10	8	10	10	10
Qualified samples	10	10	10	10	1	10	10	10
Unqualified samples	0	0	0	0	7	0	0	0

## IV. HUMAN RESOURCES DEVELOPMENTS

### Target:

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

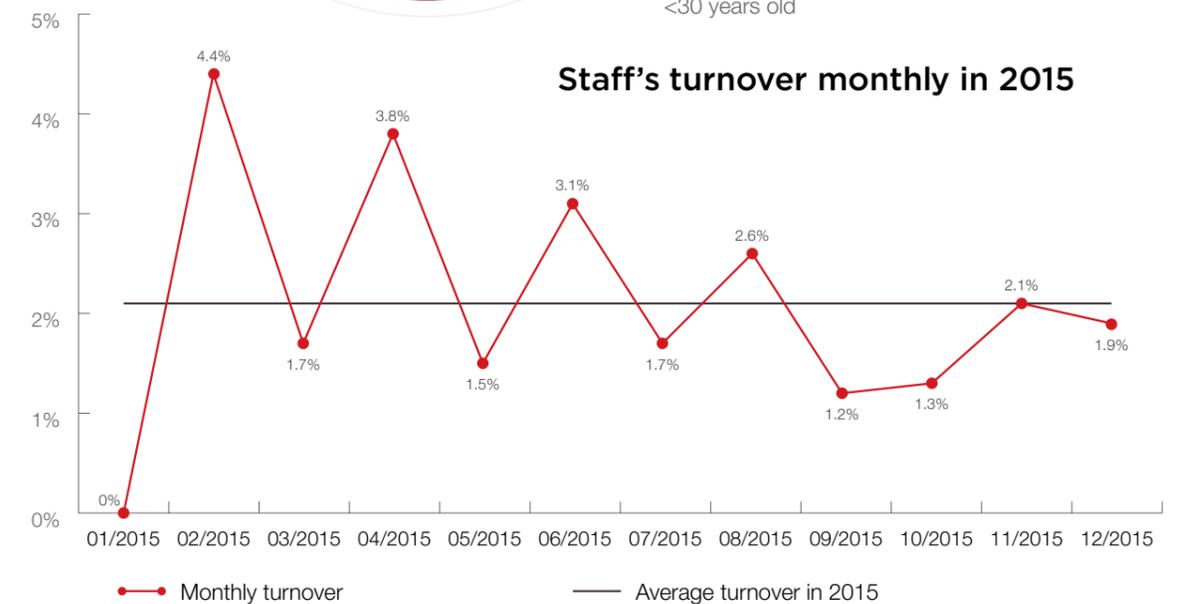
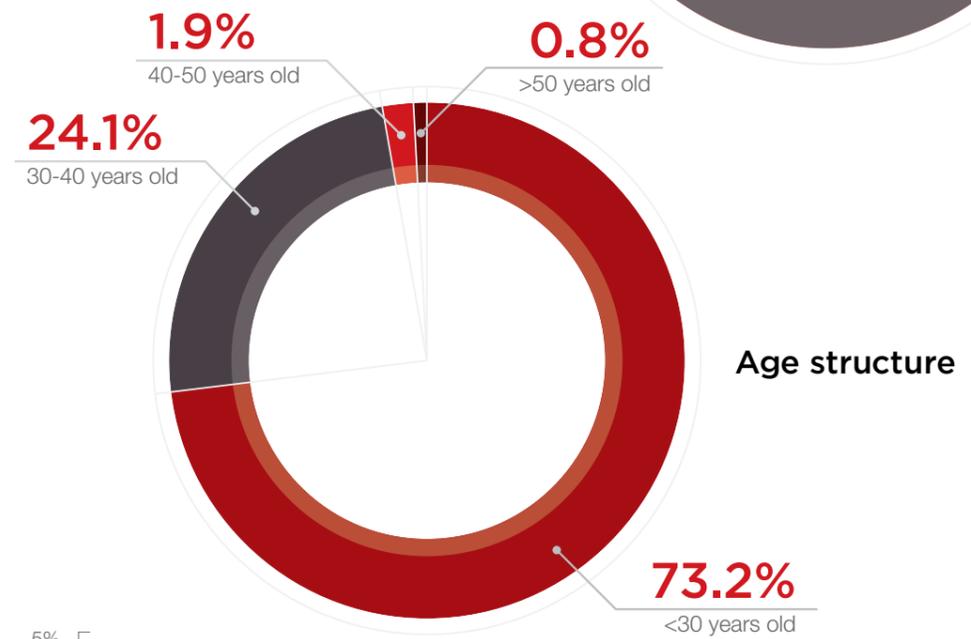
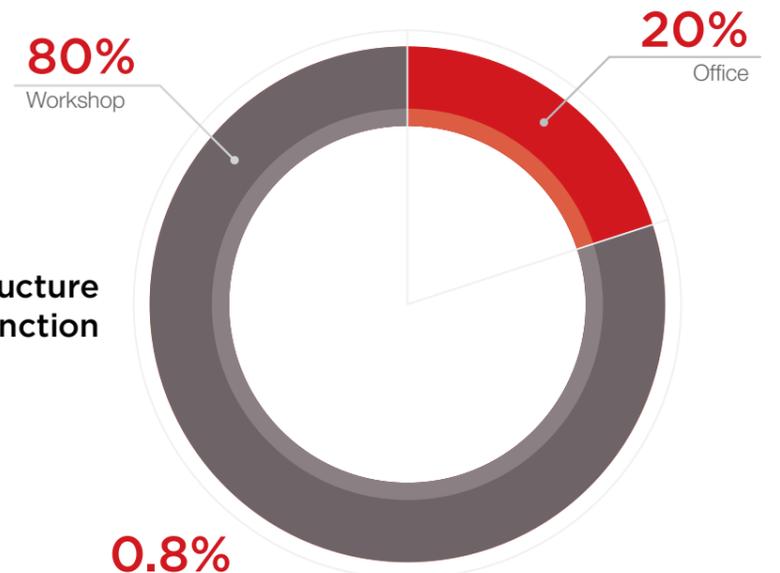
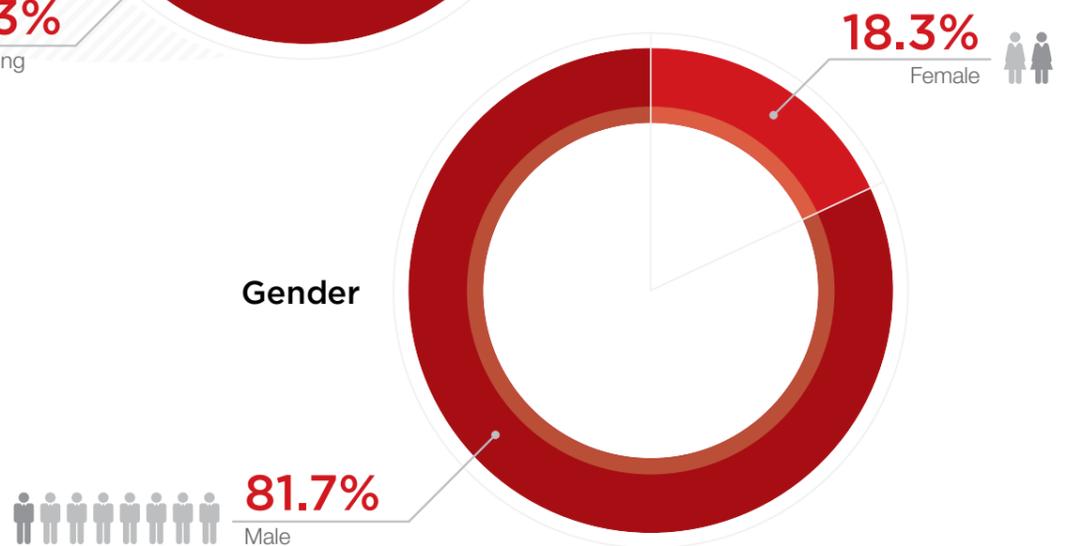
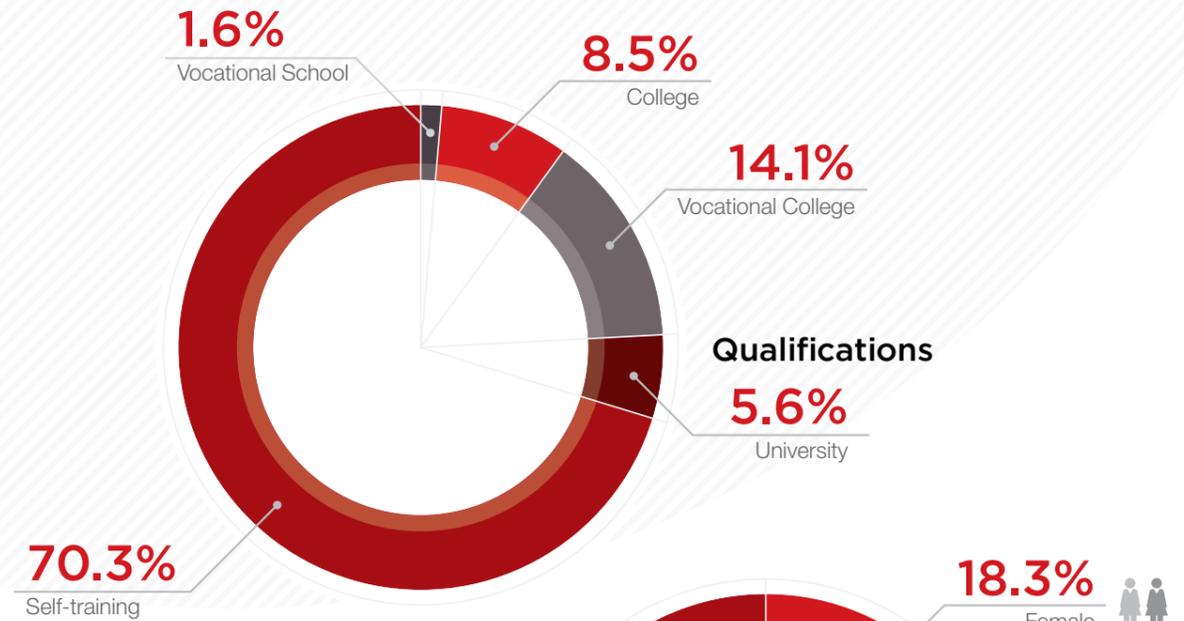
### Solutions and Implementation:

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

### 1. RECRUITMENT POLICY

With an aim to build a high quality workforce, STK establishes a high standard for recruitment on education and discipline. Besides, the Company also sets out specific requirements for a particular position (example: the men will be prioritized for the heavy works or shift-work).

**Employment Statistics** 896  Number of official employees as at Dec 31<sup>st</sup>, 2015



## 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 week.

### 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.

In 2015, the Company increased average basic salary by 10% as compared to 2014. In 2016, The Company will increase average salary by 10% for production staffs and adjust the average salary for office staffs based on the performance to maintain the Company's leading position in labor market as compared to its peers and companies in the regions.

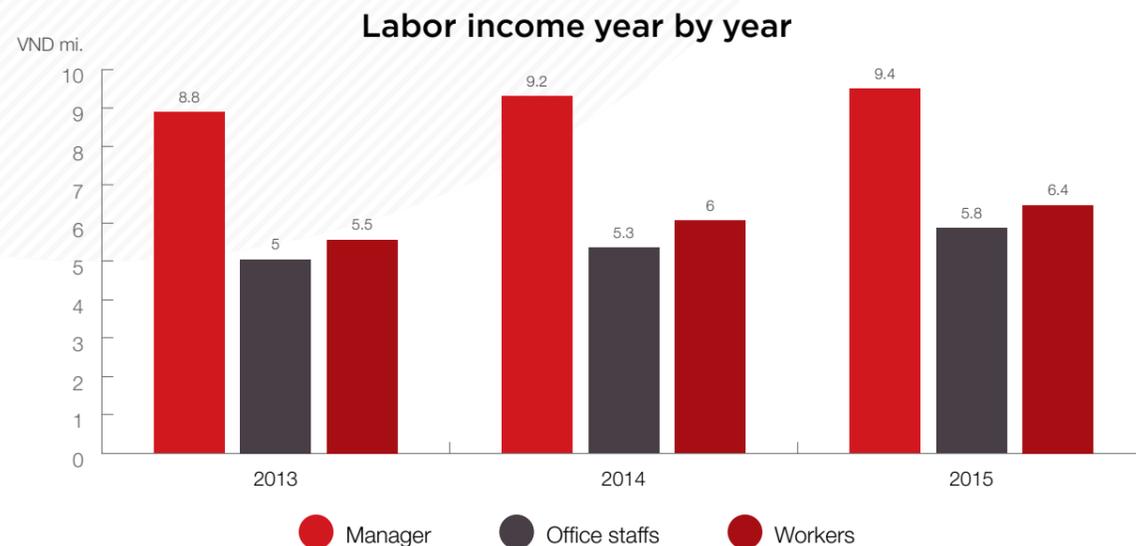
### Actual salary

#### 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.



### 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

STK provides free accommodation for staffs, whose home is more than 30 kilometers away from the workplace. Besides that, STK also provide free shift meals; allowance for heavy and unsafe work; annual leave; medical check; and other allowances such as night shift, mobile bill and gasoline, etc.

Company's collective labor agreement was made and registered with the Labor Administration Authority in accordance with law. The Company fully implements compulsory insurance schemes (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%.



### 3. TRAINING AND PROMOTION

The basic content used for annual training: 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.

The Company always focuses on training. Besides new employee training programs, the Company also constantly re-trains for existing employees to ensure the skills, comply with standard operating procedure. In 2015, The Company strongly focused on training the shift leaders and existing employees, continuously developed the sharing culture by giving the managers and shift leaders responsibility for training employees, deployed LEAN training courses to apply for working in order to improve the productivity of employees and eliminate unnecessary waste. Thanks to sharing culture and internal training, the Company saved external training expense, reduced the actual training expense as compared to budget.

	2013	2014	2015
Number of training courses	12	29	45
- Internal training	0	19	37
- External training	12	10	8
Budget for training activities (VND)	361,309,733	465,400,000	809,733,599
Actual training expense (VND)	292,893,279	205,277,007	351,246,171
Rate of actual expense/budget (%)	81%	41%	43%

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 position.

Year	2013	2014	2015
Number of employees promoted	14	22	39

### 4. WORK SAFETY

To avoid labor accidents, the Company trains about safety and hygiene at work for new employees. After that, the Company will periodically re-train for all staffs.

To cope with labor accidents, the Company periodically trains in first-aid procedure and hygiene related epidemic diseases for all departments. When there is an accident or medical emergency, the employees will be given first aid before being transferred to Company's medical room. Depending on the type of injury/illness, the health officer of the Company will transfer the patients to the appropriate medical center for treatment.

Training about Safety and Hygiene at work	2013	2014	2015
Total trained employees	644	671	889
Safety & Hygiene cost			
Safety technical methods	-	131	135
Hygiene technical methods	-	57	58
Individual protective clothes	125	97	100
Labor healthcare	690	960	1,345
Communication, training	4.95	15.6	24
Others	-	-	-
Number of labor accidents	0	0	0
Total number of cases affected with occupational diseases	0	0	0

### 5. ACTIVITIES FOR EMPLOYEES' CHILDREN

In order to take care of employees' family, the Company often organizes amusement activities, rewards for employees' children annually. Specifically, the Company gave 348 gifts to the children on International Children Day 2015. Besides, at the end of the academy 2015, the Company also rewarded for nearly 60 children who have good academic results, each reward is worth from VND 500,000 VND to VND 1,000,000.

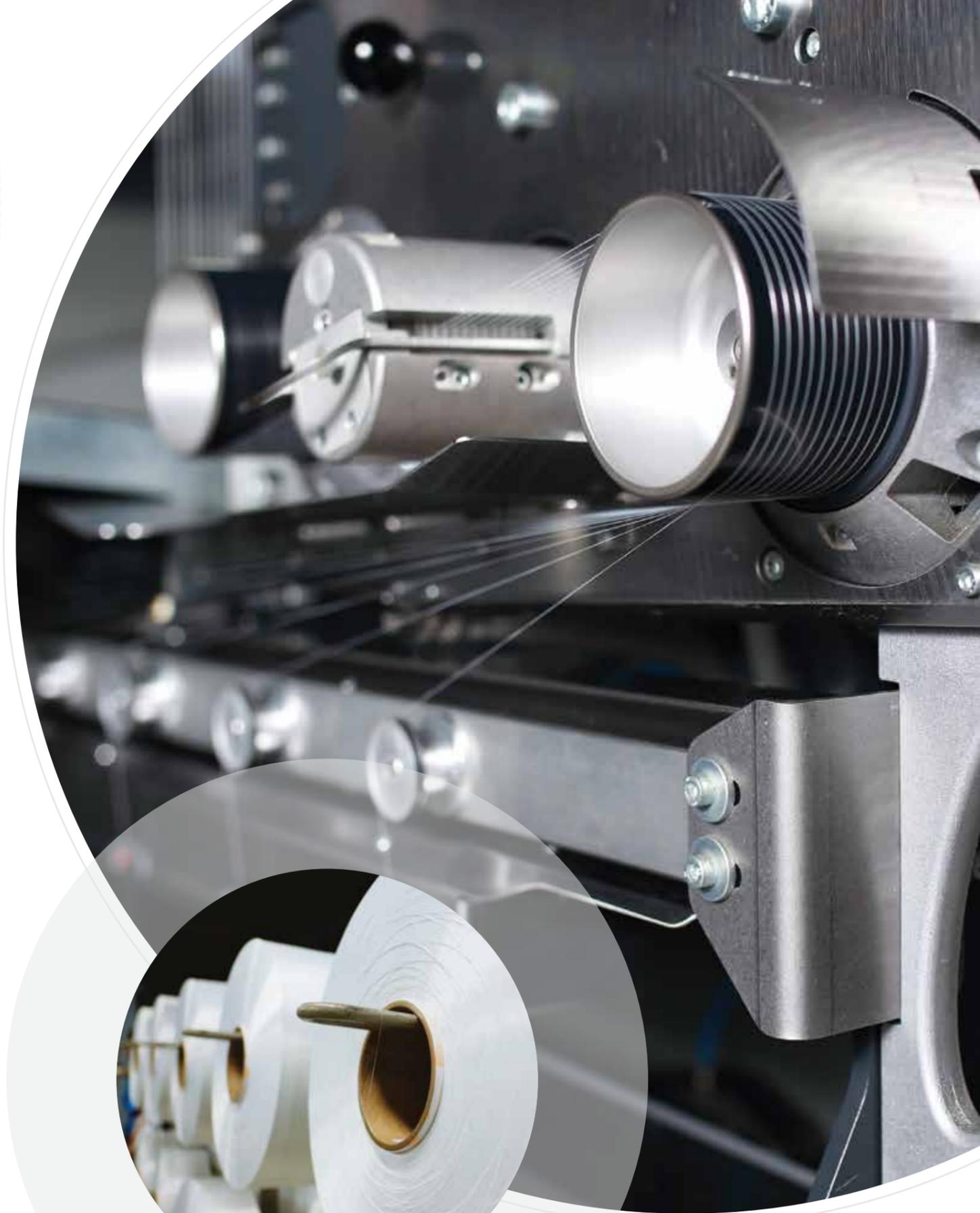


## V. RESPONSIBLE FOR COMMUNITY - LOCAL REGION

STK often participates in the activities which organized by HEPZA or Industrial Zones Authorities, co-ordinates with local authorities to guarantee the safety, public security and businesses order, creates the jobs for local labors.

The Company contributed to the State budget as following:

Items	2015			
	Beginning balance	Recorded	Paid	Ending balance
CIT	5,294,170,014	16,294,005,240	21,692,943,962	(104,768,708)
VAT	-	5,107,685,617	3,607,679,680	1,500,005,937
Import-Export Tax	2,529,151,028	24,160,524	1,217,277,697	1,336,033,855
PIT	117,671,051	3,364,636,346	3,314,607,234	167,700,163
Other	13,305,600	695,563,200	708,868,800	-



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

GRI Indicators		Report 2015	Page
<b>GENERAL STANDARDS</b>			
<b>STRATEGY AND ANALYSIS</b>			
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.	✓	29
<b>ORGANIZATION PROFILE</b>			
G4-3	Name of the Company.	✓	3, 28
G4-4	Primary brands, products, and/or services.	✓	18
G4-5	Headquarter.	✓	3
G4-6	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, 10 → 11, 28
G4-7	Nature of ownership and legal form.	✓	17, 20-21
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	✓	19
G4-9	Scale of the reporting organization.	✓	16
G4-10	Report on workforces.	✓	50-51
G4-11	Percentage of total workers including in aggregate labour agreements.	✓	53
G4-12	Description of the organization's supply chains.	☒	
G4-13	Any significant changes during the reporting period regarding size, structure, ownership or supply chain.	✓	11, 13, 16, 18
G4-14	Report the organization to have precautionary measure or principle is addressed by the organization.	☒	
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.	✓	30-31, 33, 38
G4-16	List the members' right in the associations and organizations operated in local and international country.	✓	30-31
<b>IDENTIFY MAJOR BOUNDARIES</b>			
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 2015	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.	✓	28, 29
G4-19	List all the major fields were identified while identifying report content.	✓	31
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.	☒	
<b>THE CONSULTATION OF STAKEHOLDERS</b>			
G4-24	Provide list of related groups were invited by the organization.	✓	30-31
G4-25	Report the base of identifying and selecting related parties to invite.	✓	30-31
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.	✓	30-31
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.	✓	30-31
<b>CORPORATION PROFILE REPORT</b>			
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	✓	28
G4-29	Date of most recent previous report (if any).	☒	
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, 31, 58

GRI Indicators		Report 2015	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.	✓	31
<b>GOVERNANCE</b>			
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?	✓	37
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 2015	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.	✓	36-37

GRI Indicators		Report 2015	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.	✓	32 → 35
EC1	Direct economic value generated and distributed.	☒	
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.	☒	

### CATEGORY: ENVIRONMENTAL

MATERIALS			
G4-DMA	Generic Disclosures on Management Approach.	✓	38
EN1	Materials used by weight or volume.	☒	
EN2	Percentage of materials used that are recycled input materials.	☒	

GRI Indicators		Report 2015	Page
ENERGY			
G4-DMA	Generic Disclosures on Management Approach.	✓	38-39
EN3	Energy consumption within the organization.	☒	
EN4	Energy consumption outside of the organization.	☒	
EN5	Energy intensity.	☒	
EN6	Reduction of energy consumption.	✓	39
EN7	Reductions in energy requirements of products and services.	☒	
WATER			
G4-DMA	Generic Disclosures on Management Approach.	✓	40
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.	☒	
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	✓	40 → 42
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	✓	42
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	☒	
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	☒	
EN18	Greenhouse gas (GHG) emissions intensity	☒	
EN19	Reduction of greenhouse gas (GHG) emissions	☒	
EN20	Emissions of ozone-depleting substances (ODS)	☒	
EN21	NOx, SOx, and other significant air emissions	☒	

GRI Indicators		Report 2015	Page
<b>EFFLUENTS AND WASTE</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	42-43
EN22	Total water discharge by quality and destination.	✓	43
EN23	Total weight of waste by type and disposal method.	✓	43
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.	✓	43
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.	☒	
<b>PRODUCTS AND SERVICES</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
EN27	Extent of impact mitigation of environmental impacts of products and services.	☒	
EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	☒	
<b>COMPLIANCE</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	38
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	☒	
<b>TRANSPORT</b>			
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.	☒	
<b>OVERALL</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
EN31	Total environmental protection expenditures and investments by type.	✓	39
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
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 2015	Page
<b>ENVIRONMENTAL GRIEVANCE MECHANISMS</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	☒	
<b>CATEGORY: SOCIAL</b>			
<b>LABOR PRACTICES AND DECENT WORK</b>			
<b>EMPLOYMENT</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	50
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	✓	50-51
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	✓	52-53
LA3	Return to work and retention rates after parental leave, by gender.	☒	
<b>LABOR/MANAGEMENT RELATIONS</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	☒	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	55
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.	✓	55
LA7	Workers with high incidence or high risk of diseases related to their occupation.	✓	55
LA8	Health and safety topics covered in formal agreements with trade unions.	✓	55
<b>TRAINING AND EDUCATION</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	54
LA9	Average hours of training per year per employee by gender, and by employee category.	☒	
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	✓	54
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	☒	

GRI Indicators		Report 2015	Page
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37, 54
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.	☒	
<b>EQUAL REMUNERATION FOR WOMEN AND MEN</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37, 52-53
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	☒	
<b>SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>			
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.	☒	
<b>LABOR PRACTICES GRIEVANCE MECHANISMS</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	☒	
<b>HUMAN RIGHTS</b>			
<b>INVESTMENT</b>			
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.	☒	
<b>NON-DISCRIMINATION</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37
HR3	Total number of incidents of discrimination and corrective actions taken.	☒	
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37, 53
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.	☒	

GRI Indicators		Report 2015	Page
<b>CHILD LABOR</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37
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.	☒	
<b>FORCED OR COMPULSORY LABOR</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37
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.	☒	
<b>SECURITY PRACTICES</b>			
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.	☒	
<b>INDIGENOUS RIGHTS</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	☒	
<b>ASSESSMENT</b>			
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.	☒	
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b>			
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.	☒	
<b>HUMAN RIGHTS GRIEVANCE MECHANISMS</b>			
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	☒	
<b>SOCIETY</b>			
<b>LOCAL COMMUNITIES</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	56
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.	☒	

GRI Indicators		Report 2015	Page
<b>ANTI-CORRUPTION</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
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.	☒	
<b>PUBLIC POLICY</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
SO6	Total value of political contributions by country and recipient/beneficiary.	☒	
<b>ANTI-COMPETITIVE BEHAVIOR</b>			
G4-DMA	Generic Disclosures on Management Approach.	✓	37
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	☒	
<b>COMPLIANCE</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	☒	
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>			
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.	☒	
<b>GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>			
G4-DMA	Generic Disclosures on Management Approach	☒	
S11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	☒	
<b>PRODUCT RESPONSIBILITY</b>			
<b>CUSTOMER HEALTH AND SAFETY.</b>			
G4-DMA	Generic Disclosures on Management Approach	☒	
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 2015	Page
<b>PRODUCT AND SERVICE LABELING</b>			
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.	☒	
<b>MARKETING COMMUNICATIONS</b>			
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.	☒	
<b>CUSTOMER PRIVACY</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	☒	
<b>COMPLIANCE</b>			
G4-DMA	Generic Disclosures on Management Approach.	☒	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	☒	

